

2004 MONTHLY REPORT		PROGRAM	Motor Vehicle Division
		SUBPROGRAM/AREA	Customer Services / Customer Service
AGENCY GOAL	2	To increase the quality, timeliness and cost effectiveness of our products and services.	
MVD/PROGRAM GOAL	2	To improve customer service.	
AGENCY and MVD/PROGRAM OBJECTIVE	1	For FY 2004, maintain an average customer total visit time (door-to-door) in field offices of 30 minutes or less.	

Type	PERFORMANCE MEASURES	FY 2003	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	FY 2004	FY 2004 Estimated
IP	Number of MVD customers served in field offices (in thousands)	4,725.9	406.3	386.5	387.0	393.7	326.7	369.1	390.9	372.4	433.3	391.4	357.0	401.1	4,615.5	4,726
OP	Number of transactions (thousands)	5,744.1	442.6	486.7	486.5	498.4	408.9	470.4	489.3	457.9	549.7	503.9	467.3	515.6	5,777.2	5,744
EF	Average customer wait time (door-to-counter) in field offices (minutes)	14.2	15.7	14.3	15.0	14.3	13.9	12.9	16.0	18.5	15.9	13.9	14.6	15.4	15.1	20
EF	Average transaction time (counter-to-door) in field offices (minutes)	8.6	8.2	8.2	8.1	8.1	8.0	7.9	7.7	7.7	7.8	7.9	8.0	7.8	7.9	10
EF	Average customer total visit time (door-to-door) in field offices (minutes)	22.8	23.9	22.5	23.1	22.4	21.9	20.8	23.7	26.2	23.7	21.8	22.6	23.2	23.0	30.0
EF	Percent of customers waiting for 20 minutes or less	70.9%	66.0%	70.3%	70.8%	71.1%	72.2%	74.9%	65.2%	61.9%	69.0%	73.1%	70.5%	67.2%	69.0%	60%
QL	Percent of customers rating overall service either excellent or good (combined totals of ratings ranging from 7-10 on a 1-10 scale)	79.5%	80.7%			83.7%			81.8%			Will be reported approximately in September 2004			82.0%	80%
IP	Average number of MVCSAs and MVCSRs	866	802	799	819	755	752	743	730	729	757	741	720	725	756	866

VARIANCE STATEMENT

JULY: Total customers decreased by 1,600 and transactions decreased by 50,600. However, total visit time increased by 0.2 minutes, which is attributed to decreased average staff levels and employee vacations.

AUGUST: The slight decline in total visit time can be attributed to 20,000 fewer customers visiting offices. Transaction times remained steady even with a 44,000 increased transaction count.

SEPTEMBER: Transaction times decreased and wait times increased slightly. Customer and transaction counts for September are very close to those experienced in August, which is a similar pattern to what was experienced during the same period of FY 2002. In regards to the increased MVCSAs and MVCSRs, no additional personnel have been hired. The increased figure is due to the program moving MVCSA and MVCSR positions from limited to permanent status. During this transition, some positions may be duplicated within the database. This figure is expected to become more realistic within the next month as the transitions are completed and limited positions are abolished.

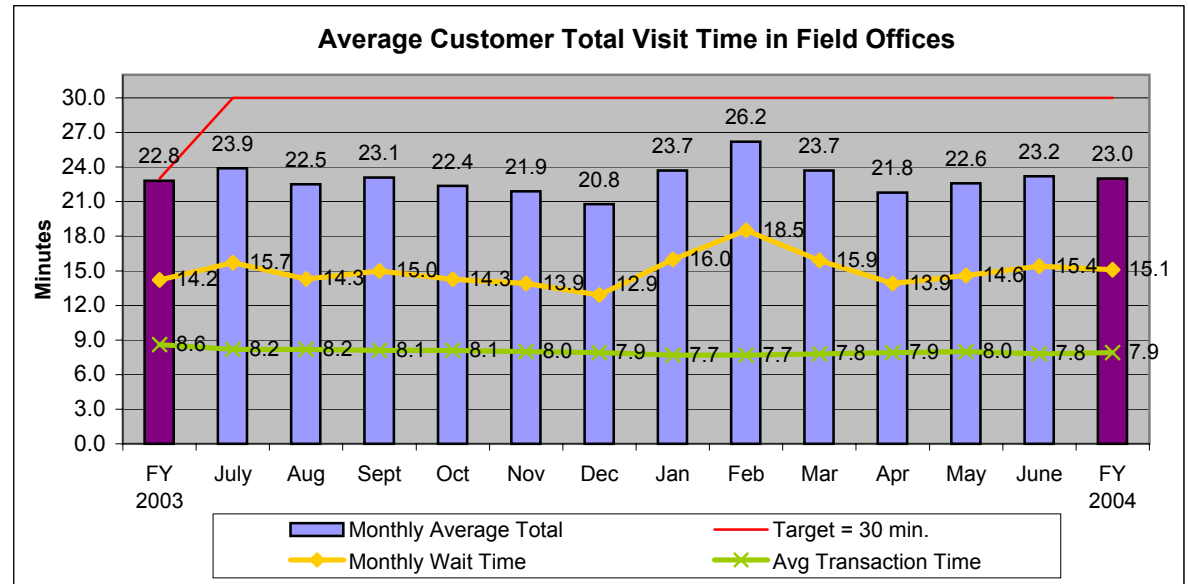
OCTOBER: Overall, no significant variances were identified. Average wait times decreased by 0.8 minutes, despite a nearly 11,900 transaction increase and a continued decrease in staff levels. The average number of MVCSAs and MVCSRs is expected to decrease slowly as the program continues to abolish "limited" status positions.

NOVEMBER: November's average wait time is the lowest on record this fiscal year, which is attributed to lower customer and transaction counts (follows historical trends).

DECEMBER: At 12.9 minutes, December's average wait time is the lowest on record this fiscal year. Region managers observed that most transactions completed in December consisted of those types that are less time consuming and less complicated--such as duplicate driver licenses and standard license or vehicle registration renewals. The decrease in wait time is despite increases in customers (42,000) and transactions (61,000). December counts are historically in line with previous years' results. Also, the program continues to implement new efficiencies to help the offices run more smoothly. For example, this past year, the 4:30 pilot was expanded to all offices; lines are being worked prior to opening; and unnecessary copying and other office practices are being reduced or eliminated.

JANUARY: The 3.1-minute increase in wait time is attributed to an approximate increase of 19,000 transactions, which is comparable with previous years, and a decrease in staffing. In January 2003, average staffing levels totaled 879; this January, staffing averages totaled 730. Comparative wait times are also notable: the January 2003 average statewide wait time was 12.8 minutes; this year, it is 16.0 minutes.

FEBRUARY: There were fewer work days in February than in January, which accounted for the lower transaction and customer counts. However, average transactions per day in February were more than 700 higher than January's daily average, which contributed to higher wait times.



MARCH: The overall total visit time decreased by 2.5 minutes, despite an increase in customers and transactions. Improvements can be attributed to a decrease in turnover, which creates a more experienced work force, and a reduction in vacant positions. Management has become very skilled at monitoring the Q-Matic and more effective in addressing changes in customer demand. Overall, many front line employees (MVCSRs) have pride in their performance and seek to meet or exceed the wait time target. The level of training has improved, MVCSRs are improving competencies, and process improvements are consistently pursued.

APRIL: Total customers decreased by approximately 41,000 and transactions decreased by 45,700, which contributed to lower wait times. These decreases continue to be in line with previous years' peaks and lows. Additionally, management continues to evaluate and improve processes for better customer service and flow.

MAY: There were fewer work days in May than April, which accounts for the reduced number of transactions and customer counts. The increase in visit time can be attributed to several factors, including the introduction of several office efficiencies being implemented statewide. These improvements are well received; however, they require a slight learning curve which affects visit time short term. Also, even with a decreased average number of MVCSAs and MVCSRs, the program has recently hired several new employees. These employees are completing the training process and are receiving on-the-job-training (OJT). Seasoned employees conduct the OJT, which temporarily contributes to an increase in wait time.

JUNE: Wait times increased by 0.8 minutes despite the increase of nearly 44,000 customers and 48,000 transactions. This can be attributed to a decrease in turnover, increased production by recently hired employees following some classroom and on-the-job training, and improved office efficiencies statewide.

NOTES

2004 MONTHLY REPORT		PROGRAM	Motor Vehicle Division
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AGENCY GOAL	2	To increase the quality, timeliness and cost effectiveness of our products and services.	
MVD/PROGRAM GOAL	2	To improve customer service.	
AGENCY and MVD/PROGRAM OBJECTIVE	2	For FY 2004, of those customers responding to a field office survey, ensure 80% rate their overall experience as either excellent or good.	

Type	PERFORMANCE MEASURES	FY 2003	Apr 2003	May 2003	June 2003	July 2003	Aug 2003	Sept 2003	Oct 2003	Nov 2003	Dec 2003	Jan 2004	Feb 2004	Mar 2004	FY 2004	FY 2004 Estimate
IP	Number of MVD customers served in field offices (in thousands)	4,713.0	398.2*	389.9*	396.7*	406.3	386.5	387.0	387.5	326.7	369.1	390.9	374.1	433.3	3,461.5	4,713
OP	Number of random sample survey responses received / Number of responses targeted to be received	505 / 400 average	622 / 400 (based on 1.2 million customer population)*			477 / 400 (based on 1.18 million customer population)			476 / 400 (based on 1.08 million customer population)			496 / 400 (based on 1.2 million customer population)			477 / 400 average	400 / 400 average
QL	Percent of customers rating overall service either excellent or good (combined totals of ratings ranging from 7-10 on a 1-10 scale)	79.5%	80.5%*			80.7%			83.7%			81.8%			82.0%	80%
EF	Average customer wait time (door-to-counter) in field offices (minutes)	14.2	15.9*	15.2*	15.7*	15.7	14.3	15.0	14.3	13.9	12.9	16.0	18.5	15.9	15.2	20
EF	Average transaction time (counter-to-door) in field offices (minutes)	8.6	8.4*	8.2*	8.2*	8.2	8.2	8.1	8.1	8.0	7.9	7.7	7.7	7.8	8.0	10
EF	Average customer total visit time (door-to-door) in field offices (minutes)	22.8	24.3*	23.4*	23.9*	23.9	22.5	23.1	22.4	21.9	20.9	23.7	26.2	23.7	23.2	30

VARIANCE STATEMENT

APRIL through JUNE: Satisfaction increased one full percentage point over results from the previous quarter (April - June 2003). This increase is attributed to lower overall wait times.

JULY through SEPTEMBER: No significant variance in satisfaction level from previous quarter.

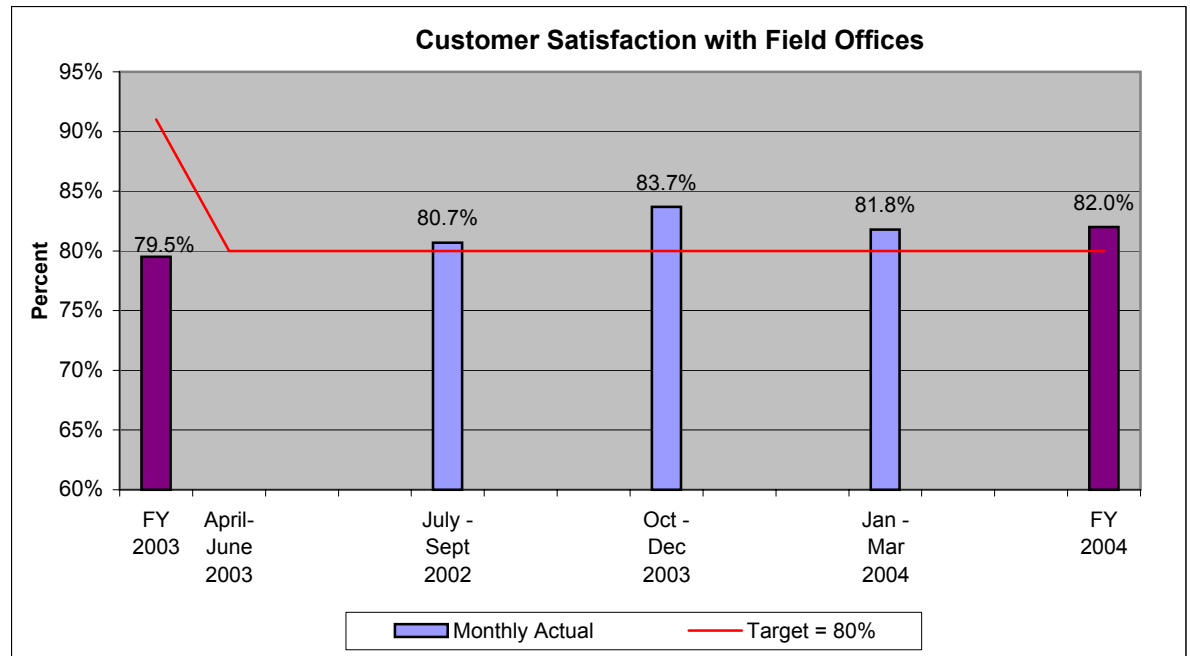
OCTOBER through DECEMBER: Improvement in overall satisfaction appears to be linked to positive expressions regarding staff courtesy and fewer concerns about wait time.

JANUARY through MARCH: Satisfaction decreases can be attributed to increased wait times attributed to increases in customers and transactions. This decrease is expected to be short lived since staffing levels increased and office efficiencies improvements were implemented statewide during the following quarter.

NOTES

This objective has a lag time of one entire quarter. In FY 2003, the first year where the quarterly survey methodology was used, only three quarters worth of data was displayed, due to the lag time. Thus, in FY 2004, the first data that will be reported is for the last quarter of FY 2003 (April through June).

* Identified statistics shown for April through June are not included in the year-to-date summary totals for FY 2004.



2004 MONTHLY REPORT		PROGRAM	Motor Vehicle Division
		SUBPROGRAM/AREA	Customer Services / Motor Carrier and Tax Services
AGENCY GOAL	2	To increase the quality, timeliness and cost effectiveness of our products and services.	
MVD/PROGRAM GOAL	6	To promote the efficient generation, collection, and management of revenues to meet public needs.	
SUBPROGRAM OBJECTIVE	1	For FY 2004, maintain a 2:1 revenue return ratio as a result of fuel tax evasion enforcement efforts.	

Type	PERFORMANCE MEASURES	FY 2003	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	FY 2004	FY 2004 Estimate
OP	Number of tests completed for dyed fuel	1,609	300	750	475	542	428	409	207	522	635	497	220	225	5,210	2,250
OP	Number of dyed fuel violations identified	N/A	9	21	14	19	14	4	5	7	5	5	9	10	122	275
OP	Number of diesel vendor visits	100	5	23	9	6	11	52	12	51	37	17	4	2	229	200
OP	Number of surveillance details	17	0	3	0	0	0	3	2	3	2	3	5	7	0	Baseline
OP	Number of assessments made on all compliance issues	72	15	27	23	7	15	30	21	49	13	7	8	12	227	375
OP	Total dollars assessed on all compliance issues	\$56,903	\$18,800	\$21,400	\$13,700	\$30,758	\$6,500	\$5,600	\$23,487	\$34,028	\$8,100	\$5,700	\$25,554	\$44,300	\$237,927	\$500,000
OP	Revenues collected on assessments	\$17,920	\$12,324	\$9,900	\$20,517	\$6,300	\$5,600	\$10,800	\$9,000	\$13,700	\$13,357	\$9,300	\$6,600	\$8,000	\$125,398	\$500,000
OP	Other revenue collections and impacts due to enforcement efforts	\$117,700	\$2,944	\$0	\$1,200	\$111,059	\$172,934	\$100,000	\$100,000	\$100,000	\$0	\$0	\$0	\$0	\$588,137	\$30,000
OP	Estimated assessed fines for issued citations @ \$200 each	\$2,800	\$1,400	\$2,400	\$1,800	\$3,200	\$1,800	\$400	\$400	\$400	\$200	\$0	\$0	\$0	\$12,000	N/A
OP	Total revenues collected due to enforcement efforts	\$138,420	\$16,668	\$12,300	\$23,517	\$120,559	\$180,334	\$111,200	\$109,400	\$114,100	\$13,557	\$9,300	\$6,600	\$8,000	\$725,535	\$530,000
IP	Operating expenditures of enforcement efforts	\$254,716	\$12,452	\$10,818	\$20,026	\$58,889	\$18,217	\$14,349	\$21,714	\$10,799	\$9,448	\$19,152	\$15,224	\$11,503	\$222,591	\$280,000
OC	Ratio of dollars collected for every dollar spent on fuel tax evasion enforcement efforts (COST= \$1.00)	-\$1.84	\$1.34	\$1.14	\$1.17	\$2.05	\$9.90	\$7.75	\$5.04	\$10.57	\$1.43	-\$2.06	-\$2.31	-\$1.44	\$3.26	2 : 1
OP	Number of audits performed	1	0	2	4	5	5	3	5	2	1	1	4	1	33	2
OP	Number of felony criminal cases filed	2	0	0	0	0	0	2	0	0	0	0	0	0	2	Baseline
OP	Number of citations issued for dyed fuel issues	14	7	12	9	16	9	2	2	2	1	0	0	0	60	Baseline
IP	Number of complaints received	9	3	2	1	0	2	1	2	3	3	2	3	4	26	Baseline

VARIANCE STATEMENT

SEPTEMBER: Staff activity levels are down due to officer illness and vacation time. Training also continues. Expenditures for first 3 months are equally displayed since only a total quarterly number is currently available. Time expended on activities does not necessarily equate to revenues in the current period. Usually, it takes some interaction and review before assessments are sent out and then, even if clean, payments may not occur for a month or two after tests established red dye. Additionally, collections issues are sporadic at best.

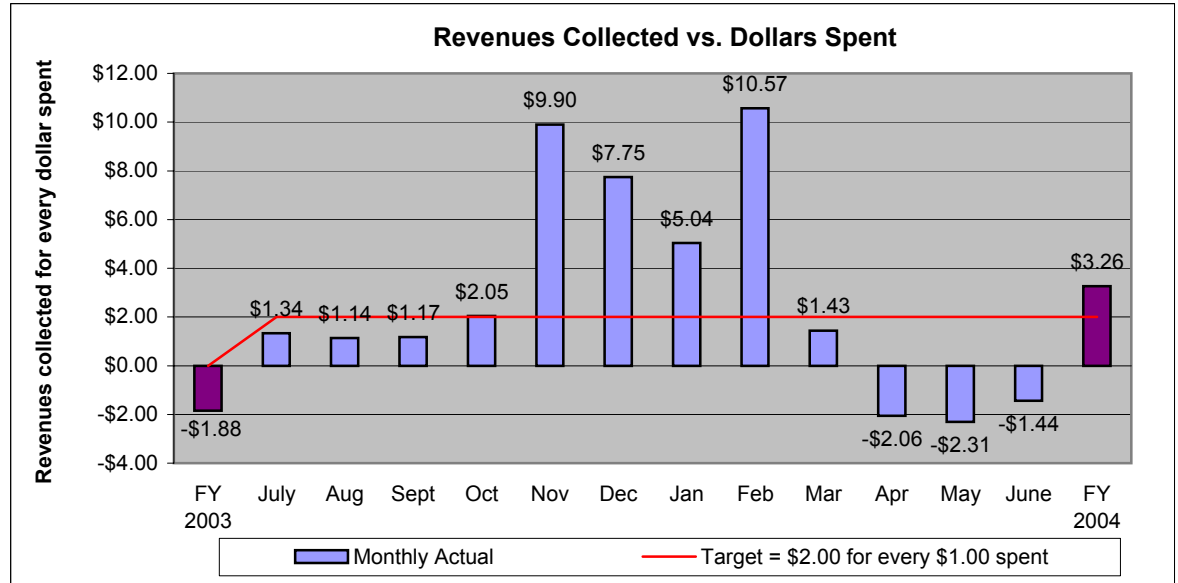
OCTOBER: Collections are up due to the resolution of a long term issue initiated between DPS and the Tax Evasion Unit. A motor carrier signed a closing agreement and paid approximately \$98,000 in back registration fees. In November, the balance due Arizona will be sent/redistributed as part of the IRP inter-jurisdictional funds transfer through the state of Indiana. Vendor visits and follow-up on diesel issues has slowed a bit, due to preparation for an administrative hearing on a series of large refund requests. Additional costs of just under \$40,000 were incurred this month for the purchase of two vans. Additionally, year-end financial work has been completed, allowing for the correct display of expenditures between July and October.

NOVEMBER: The balance of the long-term issue was collected this month (see October reference to \$98,000 collection). This was a joint effort between the Revenue Audit and Tax Evasion units, the AG's office, and DPS.

DECEMBER: Staff took much vacation time in December, so overall performance decreased. Also, vehicles are turning off the road or speeding by fuel stops to get around being checked. The Unit has a meeting scheduled in January to discuss plans and options.

JANUARY: December and January revenues reflect the stoppage of fuel leaving Arizona and going into Mexico, due to an investigation initiated in Arizona, which ultimately included both the U.S. and Mexican federal governments. The work of the financial investigating auditor was key to putting together the case that stopped the exportation of fuel. "Other revenue collections promoted by enforcement efforts" for December and January are estimated at \$100,000 per month. This conservative monthly estimate will also be carried into February, which is based on 6 months of activity that has now stopped. Numbers are down a little for dyed diesel testing, due to having one officer in CVSA training.

FEBRUARY: Both Unit officers completed a one-week POST General Instructor Certification course. In addition to fuel issues, officers did 12 CVSA inspections, resulting in 8 vehicles being placed out of service, and issued another 3 citations for registration violations.



MARCH: Although tax evasion enforcement activities were maintained in March, the \$100,000 estimate for "Other revenue collections..." shown during Dec. thru Feb. was discontinued, which resulted in lower revenues collected per dollar spent. Payment of past assessments was also limited. In addition, new assessments decreased for a few reasons, which will impact future months' collections: (1) The Unit extensively worked highway CVSA details with MVES staff, which are generally not lucrative for tax evasion purposes, largely due to the fact that main roads are often not used by vehicles using dyed diesel (635 diesel samples were pulled, but few resulted in positive findings); (2) Numerous complaints were received about gas stations selling 18 cent diesel to use class motor vehicles, rather than the statutory 26 cents per gallon, which required Unit and Auditor staff time to address; (3) The IRS conducted 2-day training on investigating fuel trucks and the loads they carry, which the Unit helped to coordinate, set up, and participate in.

APRIL: In addition to routine tasks, 17 CVSA inspections were done, resulting in placing five vehicles out-of-service and the issuance of two traffic violations. CDL and CVSA training was attended by one officer; the other was on two weeks of vacation during the month. The \$100,000 estimate that is referenced in March continues, but is not included in revenues. No new activity relating to the export of fuel to Mexico has occurred. In addition, the Mexican government made an assessment of \$7 million (US) related to the export issue uncovered by ADOT/MVD Tax Evasion Unit. These revenues are not reflected above, but the Unit has contributed to uncovering a situation of abuse impacting the international border, reflecting a major achievement of both the Unit and the representation and hard work of Jack Ranby of the Attorney General's Office.

MAY: The Unit lost an enforcement officer who moved into another position, leaving the Unit with only one officer, which greatly impacted program efforts. The remaining officer continues to work with the scale team and other enforcement details. Additionally, a number of administrative duties and functions have occupied the financial auditor. The Unit hopes to gain at least one person in late June or early July and are seeking two additional officer positions and one additional auditor position.

JUNE: Collections are up slightly due to efforts by the Collections Unit to collect on non-paying accounts. Expenditures are down due to Unit personnel working on a grant project separate from fuel tax evasion. Additionally, supply orders and travel were curtailed; the Unit is working largely with local details. A new enforcement officer was hired in late June.

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AGENCY GOAL	2	To increase the quality, timeliness and cost effectiveness of our products and services.	
MVD/PROGRAM GOAL	6	To promote the efficient generation, collection, and management of revenues to meet public needs.	
SUBPROGRAM OBJECTIVE	2	For FY 2004, ensure 65% of revenues are collected on total outstanding accounts.	

Type	PERFORMANCE MEASURES	FY 2003	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	FY 2004	FY 2004 Estimate
IP	Total number of uncollected accounts	751	689	678	598	614	508	787	698	756	676	712	659	598	598	700
IP	Number of uncollected accounts (assigned to collectors)	611	539	527	438	456	346	626	551	610	530	569	517	457	457	500
IP	Number of uncollected accounts in bankruptcy	20	21	21	21	21	21	21	17	17	17	17	17	16	16	20
IP	Number of uncollected accounts with payment plans	20	20	19	19	18	22	21	21	20	20	19	19	19	19	30
IP	Number of uncollected accounts sent to the Attorney General's Office for collection	100	109	111	120	119	119	119	109	109	109	107	106	106	106	150
IP	Total outstanding debt on uncollected accounts at end of period	\$4,375,125	\$4,378,699	\$4,363,762	\$4,225,227	\$4,249,979	\$4,228,751	\$4,082,271	\$3,656,226	\$3,636,451	\$3,612,649	\$3,711,890	\$3,723,553	\$4,426,307	\$4,426,307	\$2,800,000
IP	Outstanding debt assigned to collectors at end of period	\$1,260,618	\$1,418,931	\$1,094,922	\$808,097	\$869,093	\$853,986	\$883,475	\$640,811	\$633,070	\$650,512	\$770,232	\$840,465	\$1,403,162	\$1,403,162	\$475,000
IP	Outstanding debt with payment plans at end of period	\$308,076	\$302,051	\$283,648	\$371,420	\$333,972	\$328,165	\$265,017	\$191,118	\$179,084	\$137,840	\$122,727	\$98,302	\$238,359	\$238,359	\$300,000
IP	Outstanding debt in bankruptcy at end of period	\$908,241	\$949,985	\$949,985	\$949,985	\$949,985	\$949,985	\$949,985	\$616,998	\$616,998	\$616,998	\$616,998	\$616,998	\$616,998	\$616,998	\$325,000
IP	Outstanding debt sent to the Attorney General's Office for collection at end of period	\$1,898,190	\$1,707,732	\$2,035,207	\$2,095,725	\$2,096,929	\$2,096,615	\$1,983,794	\$2,207,299	\$2,207,299	\$2,207,299	\$2,201,933	\$2,167,788	\$2,167,788	\$2,167,788	\$1,700,000
OP	Number of resolved accounts (collected and abated)	859	67	64	80	82	136	44	53	61	80	66	63	72	868	300
OC	Total revenues collected and abated on accounts	\$3,356,497	\$89,263	\$98,141	\$149,450	\$159,025	\$68,258	\$50,099	\$344,724	\$46,484	\$91,937	\$39,983	\$211,813	\$75,802	\$1,424,979	\$2,200,000
OC	Revenues collected on accounts	\$1,445,042	\$89,263	\$96,969	\$67,547	\$159,025	\$68,258	\$50,099	\$77,686	\$46,484	\$91,937	\$34,617	\$83,526	\$75,802	\$941,213	\$1,200,000
OC	Revenues collected on accounts with the AG's office	In Above Collections	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$94,142	\$0	\$94,142	\$200,000
OC	Revenues abated on accounts	\$1,911,455	\$0	\$1,172	\$81,903	\$0	\$0	\$0	\$267,038	\$0	\$0	\$5,366	\$34,145	\$0	\$389,624	\$800,000
OC	Percent of outstanding debt that was collected on accounts by MVD collectors or assigned to payment plans	92%	5.2%	7.0%	5.7%	13.2%	5.8%	4.4%	9.3%	5.7%	11.7%	3.9%	8.9%	4.6%	54.7%	65%
EF	Revenues collected in 30 days or less	N/A	\$28,188	\$39,739	\$13,192	\$93,504	\$19,892	\$14,942	\$22,007	\$13,168	\$26,045	\$9,807	\$23,663	\$21,475	\$325,622	Baseline
EF	Revenues collected between 31-60 days	N/A	\$0	\$263	\$414	\$297	\$600	\$5,229	\$10,579	\$6,330	\$12,520	\$4,714	\$11,374	\$10,322	\$62,642	Baseline
EF	Revenues collected between 61-90 days	N/A	\$0	\$466	\$74	\$153	\$12	\$2,427	\$5,436	\$3,253	\$6,433	\$2,422	\$5,845	\$5,304	\$31,825	Baseline
EF	Revenues collected in 91 days or more	N/A	\$61,075	\$56,501	\$53,867	\$65,071	\$47,754	\$27,502	\$39,663	\$23,733	\$46,938	\$17,674	\$42,645	\$38,701	\$521,124	Baseline

VARIANCE STATEMENT

JULY: The Unit's performance in upcoming months needs to improve slightly to meet the 65% collection goal. It was expected that \$100,000 would be collected for July. However, performance was hampered by one collector being on military leave for two weeks.

AUGUST: The Unit's collection performance is still slightly below expectations by \$2,000. During the month, approximately \$300,000 was referred to the Attorney General's Office for abatement or for legal guidance on how to proceed with the collection effort due to complicated legal events impacting collections.

SEPTEMBER: Collections decreased due to late payments.

OCTOBER: Collections of outstanding debt improved substantially. New accounts totalling \$162,000 were received in October; of that new amount, \$90,000 was collected within 30 days.

NOVEMBER: Staff vacancies are again impacting collections and referrals to the Attorney General's Office. Process changes were made in the handling of deposits. Administrative functions were transferred to Receipts Accounting to allow for the redirection of the Collector's time to collections.

DECEMBER: Collections were low for the month due to the collector's absence.

JANUARY: Some improvement noted. The Unit continues to struggle with limited staffing to implement improvements in collection processes. Hiring of a Collector III towards end of February should impact performance levels beginning in March.

FEBRUARY: Collections were low for the month. The Unit continues to struggle with limited staffing to implement improvements in collection processes. The current Collector II was promoted to the vacant Collector III.

MARCH: Vacancies continue to affect the Unit's ability to deal with the receivables. An early \$20,000 payment on a payment agreement helped bolster collections this month. An additional collector will be joining the unit in mid-April.

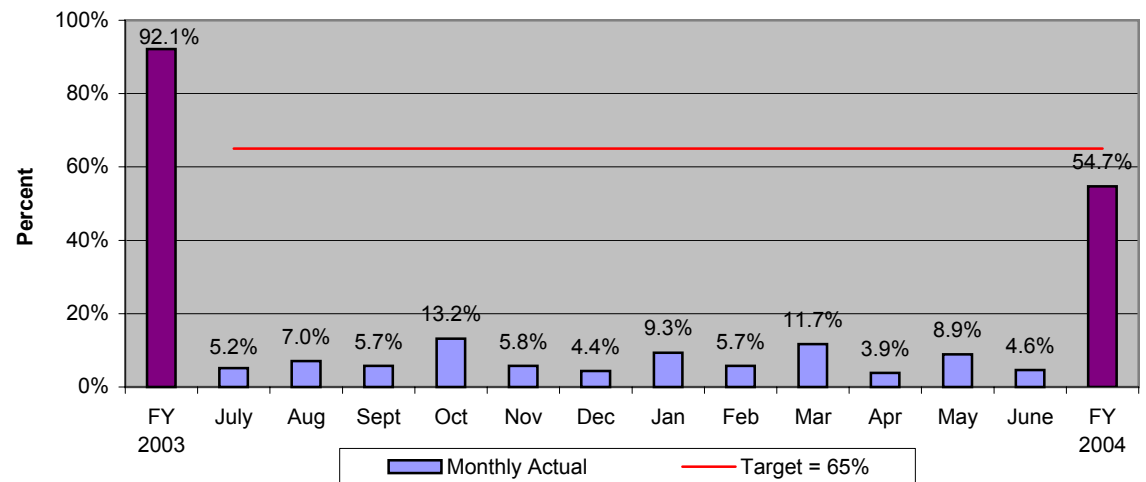
APRIL: Collections declined by 62% for the month. Revenue from payment agreements dropped by \$40,000 since a large contract was paid in full in March by a taxpayer to complete the agreement. Also, one Collector spent much time in training a new Collector, which decreased the number of customer contacts and related collections. This decrease is expected to be short-lived.

MAY: Collections improved for the month. Training of a new Collector was completed in May. As a result, both collectors were able to spend a larger portion of the month working accounts.

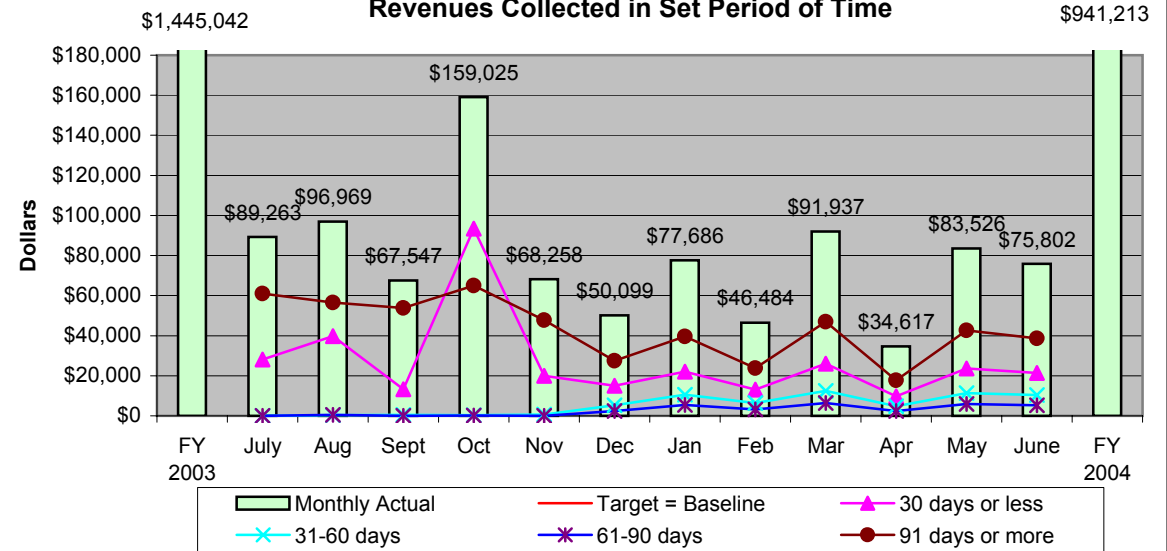
NOTES:

Methodology used in reporting differs from FY 2003 to FY 2004.

Percent of Outstanding Debt Collected on Accounts



Revenues Collected in Set Period of Time



JUNE: Overall, payments in June were lower than expected. May produced approximately \$128,000 in revenues collected by the AG's Office or abated that was not similarly shown in June, accounting for the biggest difference between the two months. Collectors were able to establish new payment plans on \$140,000 of debt, however. In addition, Revenue Audit finalized several audits toward the end of June, referring \$700,000 in tax receivables to Collections, \$600,000 of which is for one company in bankruptcy; a "best information available" audit determined the tax due. This account is being referred to the AG's Office. Full payment is highly doubtful.

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MVD/PROGRAM GOAL	6	To promote the efficient generation, collection, and management of revenues to meet public needs.	
SUBPROGRAM OBJECTIVE	3	For FY 2004, collect on 70% of all outstanding DCK debt.	

Type	PERFORMANCE MEASURES	FY 2003	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	FY 2004	FY 2004 Estimate
IP	Number of new DCKs received	7,405	684	673	706	749	601	721	750	589	692	433	510	582	7,690	7,500
IP	Number of DCKs carried over from prior period	1,231	2,227	2,305	2,344	2,490	2,813	2,908	2,883	2,842	2,714	2,695	2,549	2,557	2,227	2,227
IP	Total number of uncollected DCK accounts in progress	8,636	2,911	2,978	3,050	3,239	3,414	3,629	3,633	3,431	3,406	3,128	3,059	3,139	9,917	9,727
OP	Number of DCK accounts collected	8,238	606	634	560	426	506	746	791	717	711	579	502	578	7,356	6,800
OP	Percent of DCK accounts collected	95.4%	20.8%	21.3%	18.4%	13.2%	14.8%	20.6%	21.8%	20.9%	20.9%	18.5%	16.4%	18.4%	74.2%	70%
IP	Debt associated with newly received DCKs	N/A	\$149,472	\$140,520	\$103,538	\$120,076	\$93,029	\$120,279	\$112,616	\$98,181	\$118,898	\$61,441	\$78,232	\$76,146	\$1,272,428	\$1,400,000
IP	Debt associated with DCKs carried over from prior period	N/A	\$451,643	\$513,837	\$509,814	\$538,308	\$549,562	\$557,186	\$550,448	\$524,097	\$491,097	\$485,472	\$452,708	\$435,857	\$451,643	\$451,643
IP	DCKs considered uncollectable (debt older than 365 days)	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$350,000
IP	Total outstanding debt associated with DCKs in progress prior to any collections during period (less debt aged over 365 days)	N/A	\$601,334	\$654,566	\$613,499	\$658,544	\$642,746	\$677,632	\$663,214	\$622,444	\$610,167	\$547,055	\$531,094	\$512,133	\$1,724,236	\$1,501,830
OP	Number of DCK accounts transferred to other entities for collection	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	1,000
IP	Revenues associated with DCK accounts transferred to other entities for collection	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	\$50,000
EF	Revenues collected in 30 days or less	N/A	\$48,612	\$87,809	\$35,474	\$60,752	\$34,364	\$58,924	\$57,064	\$54,394	\$55,287	\$39,808	\$33,137	\$43,425	\$609,050	Baseline
EF	Revenues collected between 31-60 days	N/A	\$26,139	\$14,062	\$19,862	\$22,492	\$31,624	\$33,629	\$41,980	\$36,994	\$37,607	\$27,816	\$26,574	\$19,641	\$338,420	Baseline
EF	Revenues collected between 61-90 days	N/A	\$12,065	\$8,273	\$6,751	\$8,702	\$9,085	\$17,049	\$17,310	\$20,308	\$14,530	\$11,659	\$10,770	\$15,788	\$152,290	Baseline
EF	Revenues collected in 91 -365 days	N/A	\$38,557	\$20,585	\$13,104	\$17,036	\$10,487	\$17,582	\$22,763	\$19,651	\$17,271	\$15,064	\$24,756	\$13,219	\$230,075	Baseline
OC	Total revenues collected on DCKs within 365 days	\$1,591,565	\$125,373	\$130,730	\$75,191	\$108,982	\$85,560	\$127,184	\$139,117	\$131,347	\$124,695	\$94,347	\$95,237	\$92,073	\$1,329,836	\$1,051,000
EF	Revenues collected after 365 days or revenue collected on accounts not in the database	N/A	\$18,230	\$13,813	\$10,307	\$5,929	\$7,108	\$3,271	\$3,321	\$2,289	\$4,194	\$3,845	\$2,173	\$10,928	\$85,408	225,000
OC	Percent of outstanding debt that was collected within 365 days	N/A	20.8%	20.0%	12.3%	16.5%	13.3%	18.8%	21.0%	21.1%	20.4%	17.2%	17.9%	18.0%	77.1%	70.0%

Type	PERFORMANCE MEASURES	FY 2003	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	FY 2004	FY 2004 Estimate
OC	Penalties and fees collected on DCK accounts	\$227,175	\$21,728	\$16,223	\$15,441	\$18,108	\$16,648	\$19,184	\$22,107	\$20,743	\$21,252	\$14,563	\$14,626	\$17,177	\$217,800	\$150,000
QL	Number of actions taken against credentials due to non-payment of DCKs	12,639	0	0	0	178	255	256	290	211	282	254	190	166	2,082	6,000
QL	Levies imposed against customer bank accounts for DCK accounts	3,348	257	260	406	416	229	371	269	271	54	312	283	234	3,362	3,600

VARIANCE STATEMENT

SEPTEMBER: Due to the implementation of Customer IV in September, lower collections performance was expected. Customer IV changed the collection process by eliminating initial customer DCK notices (20-day letter), which notified the customer of the returned check and the amount due. Now, the cancellation notice is relied upon instead as the first notification of DCK, which informs the customer of the returned check and warns that cancellation of registration and drivers license will occur 45 days from date of the letter. Customers are now waiting until the end of 45-day period before making payment.

OCTOBER: As expected, collected revenues increased. Customers who were notified in August and September of their DCK avoided cancellation of driver licenses and registrations by making payment. For the short run, and to achieve a 25% increase in revenue collection, the Unit altered work flow and changed the filing system to overcome computer problems and the loss of one trained staff member.

DECEMBER: Even with the holiday, the DCK Unit performance this month was better than expected: the Unit collected on more DCKs than were received. Tiger Team assistance helped the Unit to excel. Also, Customer IV timing issues noted in previous months are no longer impacting reported collections.

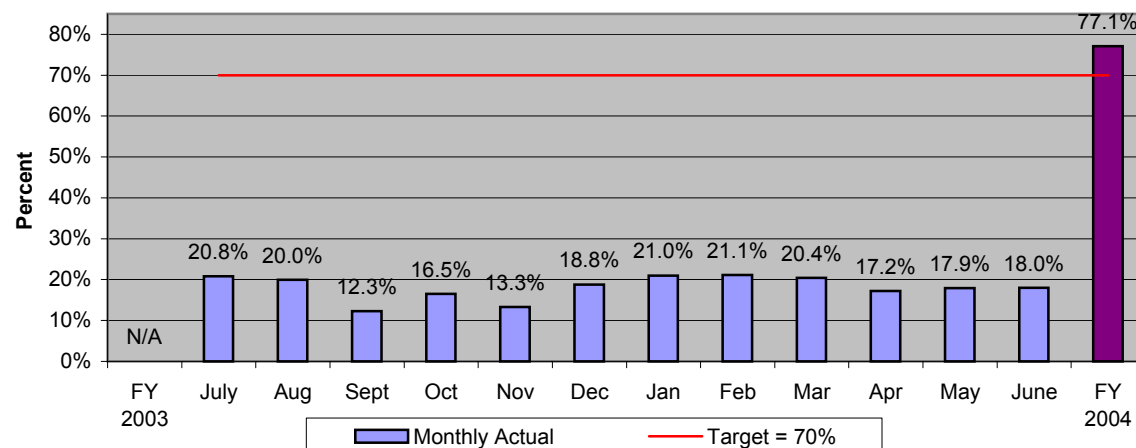
JANUARY: The Unit achieved a record month for collections. The recent hire of a Collector enhanced results; however, due to resignation, the benefit of the filled position will be short-lived. Since September, when the 45-day cancellation notice/warning became the first customer

APRIL: Collections declined by 25% for the month. The focus of the current staff shifted from levy filing and customer contact to training new team members. This negatively impacts collections in the short run, but in the long run, good training will reap great benefits. Additionally, newly received DCKs decreased by 52% for the month, or by \$57,000. Historically, 40% of the newly received DCKs are collected in the first 30 days. Since newly received DCKs decreased by \$57,000, the expectation is that collections would fall by \$23,000.

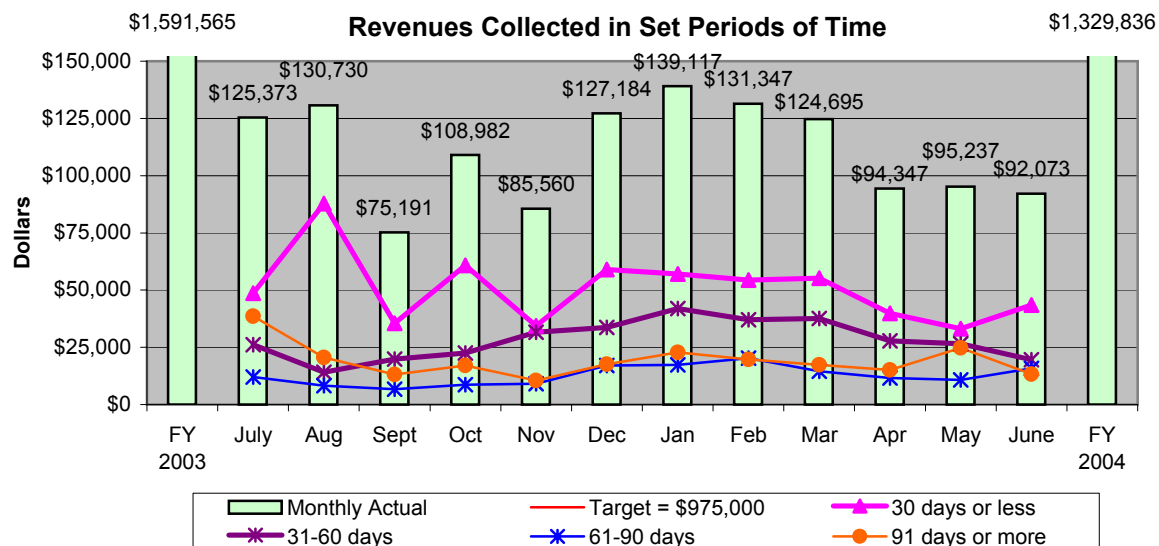
MAY: The Unit's productivity is still impacted by the training of our new team member. Training was concluded in May, so the expectation is that June collections will show improvement.

JUNE: For the past three months, "new DCKs received" have decreased by \$25,000 a month, which has a direct impact on collections. This reduction has caused collections to fall by \$20,000 a month; once this adjustment is considered, collections remain on target. Staff have begun focusing on older DCK receivables; however, the return for time spent is not as good.

Percent of Outstanding DCK Debt Collected Within 365 Days



Revenues Collected in Set Periods of Time



2004 MONTHLY REPORT		PROGRAM	Motor Vehicle Division
		SUBPROGRAM/AREA	Customer Services / Motor Carrier and Tax Services
AGENCY GOAL	2	To increase the quality, timeliness and cost effectiveness of our products and services.	
MVD/PROGRAM GOAL	6	To promote the efficient generation, collection, and management of revenues to meet public needs.	
SUBPROGRAM OBJECTIVE	4	For FY 2004, complete 25 compliance reviews of fuel tax refund requests.	

Type	PERFORMANCE MEASURES	FY 2003	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	FY 2004	FY 2004 Estimate
OP	Total number of fuel refunds issued	6,611	574	529	564	535	562	406	879	611	798	528	624	593	7,203	6,611
OP	Total dollar amounts refunded	\$23,339,195	\$1,471,990	\$2,021,155	\$2,666,379	\$2,262,125	\$2,123,565	\$1,796,255	\$1,783,207	\$1,685,886	\$2,720,143	\$1,651,299	\$1,904,466	\$2,291,157	\$24,377,627	\$23,339,195
OC	Number of compliance reviews completed by Refund Unit	1	0	0	0	0	0	7	3	2	2	2	1	5	22	25
OP	Number of fuel refund requests referred to tax evasion or audit areas	1	0	0	0	0	0	0	0	0	0	0	0	0	0	5
OC	Number of findings of non-compliance	2	0	0	0	0	0	1	0	1	2	2	1	2	9	Baseline
OC	Revenues associated with findings of non-compliance	57,034	\$0	\$0	\$0	\$0	\$0	NA	\$1,608	\$1,246	\$10,770	\$1,968	\$2,724	\$993	\$19,309	Baseline
OP	Number of claim denials	53	7	4	3	3	4	5	0	0	0	1	0	0	27	60
EF	Average days to process requests	14	21	21	21	20	20	21	21	20	21	20	19	19	20	14

VARIANCE STATEMENT

OCTOBER: Compliance position was filled on 10/27/03. Training of the new employee has begun.

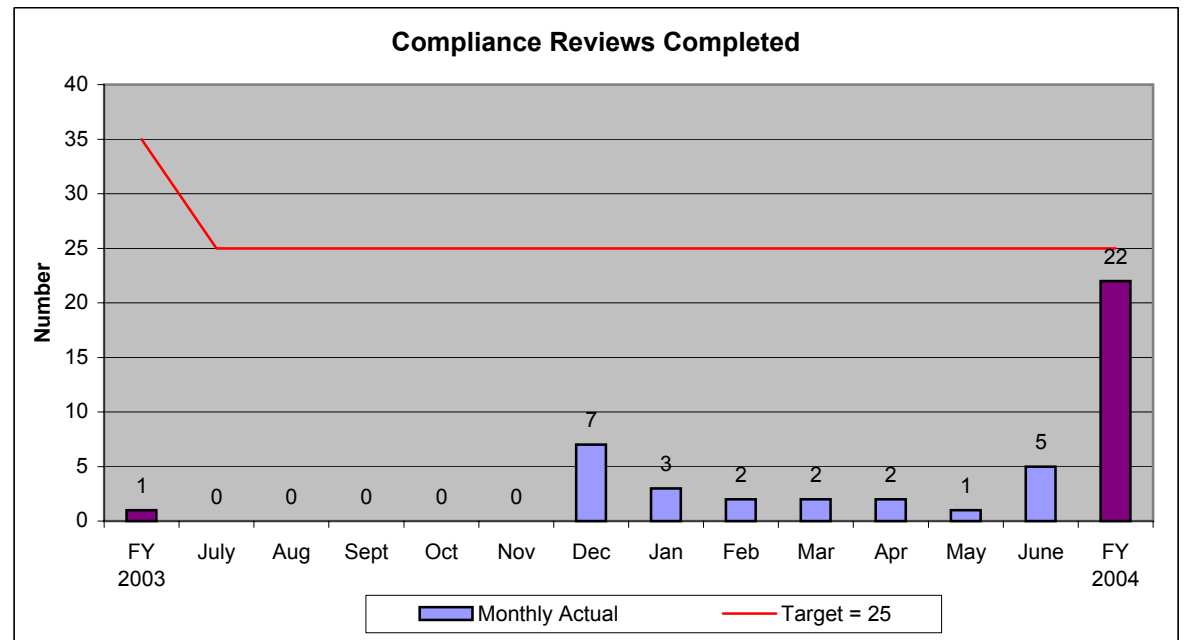
DECEMBER: During December, seven refunds were reviewed in detail for training purposes. Inadvertently, "revenues associated with findings of non-compliance" was not tracked and cannot be recreated at this time. Tracking mechanisms are now in place for future activity.

JANUARY: Training continues. During the month, attention was focused on motor fuel gallons used to allocate HURF revenues. These studies were not included in the count.

MARCH: The ability of the Unit to complete compliance reviews was limited this month because Idle Time and Power Takeoff refund reviews are a primary focus of the Unit; however, because they are time-consuming, fewer reviews can be completed. As a step towards more formal compliance efforts, the Compliance Reviewer joined the tax evasion auditor for the first time on a vendor visit, which is planned to become part of the regular scope of duties in completing compliance reviews.

MAY: Military leave taken by the compliance reviewer negatively impacted the number of reviews that were completed for the month. June's productivity will also be negatively impacted by scheduled military leave.

JUNE: The number of compliance reviews completed this month exceeded expectations. Results of reviews completed this month include the discovery of taxpayers not maintaining documentation to support refund requests, reporting incorrect fuel gallonage, and using incorrect tax rates.



2004 MONTHLY REPORT		PROGRAM	Motor Vehicle Division
		SUBPROGRAM/AREA	Customer Services / Competitive Government Partnerships
AGENCY GOAL	2	To increase the quality, timeliness and cost effectiveness of our products and services.	
MVD/PROGRAM GOAL	2	To improve customer service.	
SUBPROGRAM OBJECTIVE	3	For FY 2004, maintain the number of third party Level 1 vehicle inspections at 38% of total Level 1 inspections conducted.	

Type	PERFORMANCE MEASURES	FY 2003	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	FY 2004	FY 2004 Estimate
IP	Number of authorized third party companies conducting Level 1 vehicle inspections	434	443	438	433	432	427	426	427	428	428	425	424	422	429	434
IP	Number of authorized third party inspectors	1,007	1,050	1,055	1,062	1,066	1,063	1,071	1,071	720	739	749	753	747	929	1,003
OP	Total number of Level 1 vehicle inspections conducted solely by MVD field offices	250,002	21,589	22,793	23,365	24,264	20,256	19,889	23,062	21,586	26,190	24,353	22,210	24,964	274,521	229,039
OP	Number of Level 1 vehicle inspections conducted solely by third parties	153,345	12,881	14,012	12,034	12,142	11,543	10,772	12,690	12,583	14,314	12,396	10,669	11,066	147,102	141,031
OP	Total number of Level 1 vehicle inspections conducted by all areas	451,305	38,084	40,777	39,801	42,094	35,525	34,717	40,105	38,940	45,859	41,403	32,879	41,161	421,623	370,070
OC	Percent of all Level 1 vehicle inspections conducted solely by third parties	34%	33.8%	34.4%	30.2%	28.8%	32.5%	31.0%	31.6%	32.3%	31.2%	29.9%	32.4%	26.9%	34.9%	38%
OP	Number of vehicles referred by third parties to MVES for enhanced inspections	381	51	18	14	54	104	135	134	102	131	87	96	84	1,010	329

NOTES

The reduction in the number of authorized companies in August is due to the cancelation of multiple contracts for Level 1 third party inspections, further due to the sale of the companies, which voids the contract with the previous owners.

Motor Vehicle Enforcement Services (MVES) inspection counts were added mid-year to better reflect the total count of vehicle inspections. The addition of MVES counts results in a lower percentage overall completed by third parties alone.

VARIANCE STATEMENT

NOVEMBER: Abandoned Vehicle inspections dramatically increased and can be attributed to additional training provided by the Third Party Inspection Coordinator to pilot companies. Inspections completed during November decreased by more than 500. Also, third party inspection companies decreased by 5, but the number of inspectors only decreased by 3, which suggests that existing companies continue to hire additional inspectors to keep up with the overall inspection demand.

DECEMBER: Third party inspection companies decreased by 1, but inspectors increased by 8, which indicates that existing companies continue to grow. The number of inspections decreased by 771, which is not a significant difference.

JANUARY: Although there were 1,900 more level one inspections performed by Third party inspection companies, the overall outcome was only an increase of 0.4%, which is not a significant difference from the previous month.

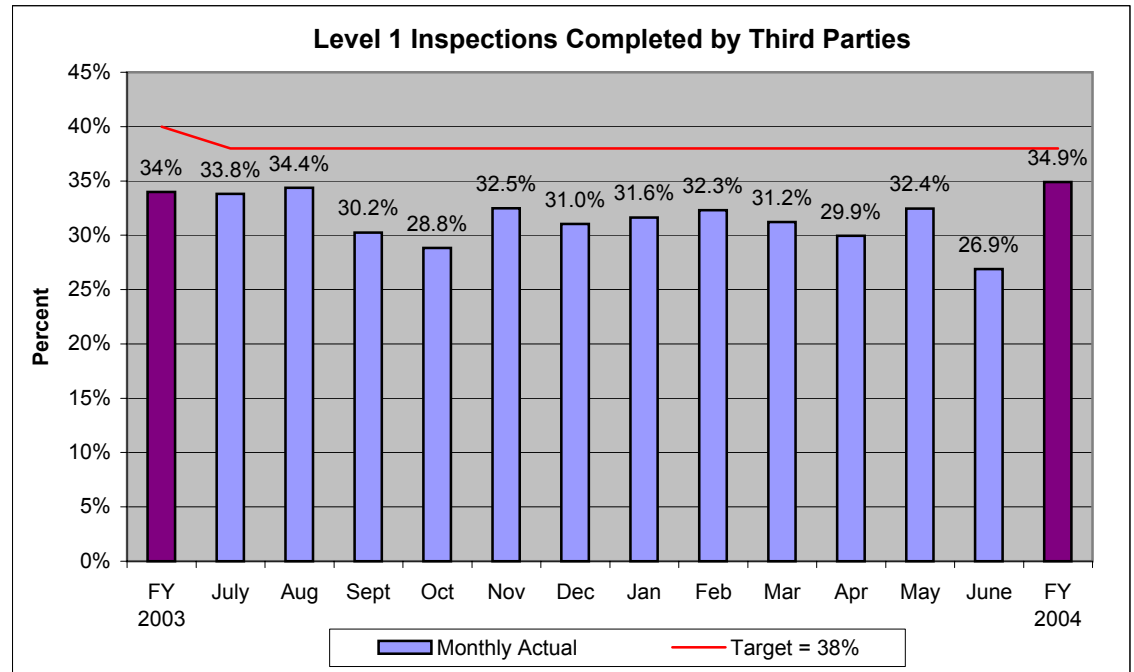
FEBRUARY: The inspector count decreased by 332 due to incorrect information on the previous version of Datalink, the Third Party Database. A new and improved version of Datalink was recently implemented; data contained in the old version was migrated to the new version. After researching discrepancies in counts of certified inspectors, it was determined the old version contained many inactive inspectors that were no longer certified. Also, the number of inspection companies increased by one due to the reinstatement of a company that was incorrectly listed as inactive. The total number of inspections completed decreased by 47, which is not a significant variance.

MARCH: Inspectors increased by 19, due to the recent completion of Level 1 Inspection training. The addition of inspectors is partly attributed to the 1,700 inspection count increase in inspections conducted solely by third parties; significant activity increases noted in field offices and the Internet are also indicators for increased third party vehicle inspections.

APRIL: The total number of inspectors increased by 10 due to the recent completion of Level 1 inspection training. However, the number of third party inspection companies decreased by three because of placement in inactive status—one upon company request, and the other two because inspectors had not completed inspections for more than 90 days.

MAY: The total number of inspectors increased due to the recent completion of a Level 1 inspection training class. However, companies decreased by one as a result of one company's decision to stop doing third party inspections.

JUNE: The total number of inspectors decreased by six and the number of companies decreased by two. However, third party inspections increased by nearly 400, which may be attributed Third Party Inspection training completed in the month of May by 10 new inspectors. These 10 inspectors have been on the job for over a month now and are likely more proficient and timely in the amount of time it takes to complete an inspection.



2004 MONTHLY REPORT

PROGRAM

Motor Vehicle Division

SUBPROGRAM/AREA

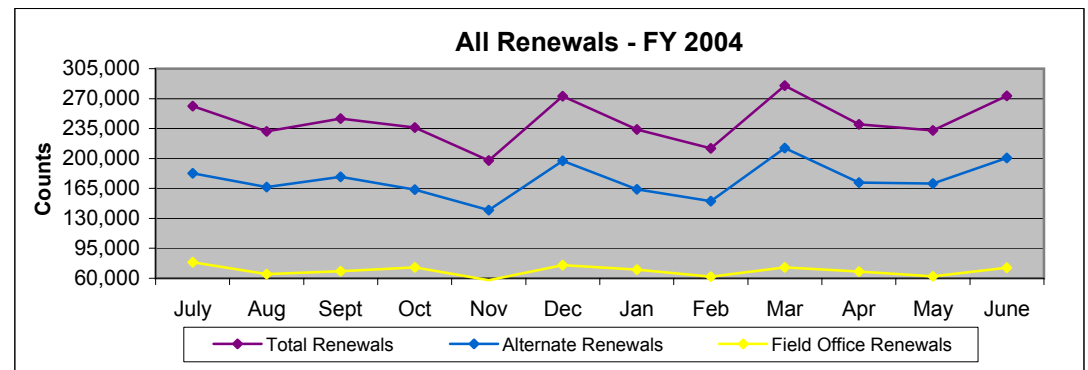
Customer Services / Competitive Government Partnerships

AGENCY GOAL	2	To increase the quality, timeliness and cost effectiveness of our products and services.
MVD/PROGRAM GOAL	2	To improve customer service.
MVD/PROGRAM OBJECTIVE	4	For FY 2004, ensure that 72% of all vehicle registration renewals are completed through alternate methods.

Type	PERFORMANCE MEASURES	FY 2003	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	FY 2004	FY 2004 Estimate
OP	Number of vehicle registration renewals (field office and alternate methods)	2,680,882	261,408	231,538	246,763	236,016	197,658	272,680	234,070	212,042	285,147	239,757	232,830	273,127	2,923,036	2,680,922
OP	Number of all vehicle registration renewals completed by field offices	839,478	78,791	64,759	68,236	72,541	57,897	75,258	70,209	61,819	72,891	68,020	62,267	72,462	825,150	750,647
OP	Percent of all vehicle registration renewals completed by field offices	31%	30%	28%	28%	31%	29%	28%	30%	29%	26%	28%	27%	27%	28.2%	28%
OC	Number of all vehicle registration renewals completed through alternate methods	1,841,404	182,617	166,779	178,527	163,475	139,761	197,422	163,861	150,223	212,256	171,737	170,563	200,665	2,097,886	1,930,275
OC	Percent of all vehicle registration renewals completed through alternate methods	68.7%	69.9%	72.0%	72.3%	69.3%	70.7%	72.4%	70.0%	70.8%	74.4%	71.6%	73.3%	73.5%	71.8%	72.0%
OP	Renew-by-Mail count	988,141	89,307	85,343	77,126	84,431	65,718	95,676	82,302	75,454	92,068	89,551	74,277	88,107	999,360	979,152
OP	Internet and Interactive Voice Response (IVR) count	636,108	66,697	68,035	65,060	65,779	59,523	64,962	67,693	61,316	73,103	68,797	76,768	79,250	816,983	723,538
OP	Third Party renewal count	153,844	18,538	8,059	30,710	7,466	9,881	31,727	8,970	8,430	41,354	8,320	8,170	27,686	209,311	160,753
OP	Drop Box renewal count	49,943	6,842	4,598	5,167	5,370	4,042	4,110	4,467	4,413	5,152	4,698	4,664	4,936	58,459	48,156
OP	Fleet renewal count	13,368	1,233	744	464	429	597	947	429	610	579	371	6,684	686	13,773	18,676
OP	Renew-by-Mail renewal percentage	36.9%	34.2%	36.9%	31.3%	35.8%	33.2%	35.1%	35.2%	35.6%	32.3%	37.4%	31.9%	32.3%	34.2%	36.5%
OP	Internet and Interactive Voice Response (IVR) percentage	23.7%	25.5%	29.4%	26.4%	27.9%	30.1%	23.8%	28.9%	28.9%	25.6%	28.7%	33.0%	29.0%	27.9%	27.0%
OP	Third Party renewal percentage	5.7%	7.1%	3.5%	12.4%	3.2%	5.0%	11.6%	3.8%	4.0%	14.5%	3.5%	3.5%	10.1%	7.2%	6.0%
OP	Drop Box renewal percentage	1.9%	2.6%	2.0%	2.1%	2.3%	2.0%	1.5%	1.9%	2.1%	1.8%	2.0%	2.0%	1.8%	2.0%	1.8%
OP	Fleet renewal percentage	0.5%	0.5%	0.3%	0.2%	0.2%	0.3%	0.3%	0.2%	0.3%	0.2%	0.2%	2.9%	0.3%	0.5%	0.7%

NOTES

The graph relating to the key measure for this objective, entitled "Renewals Completed Through All Alternate Methods," is on the following page. Other graphs are displayed to show FY 1998-03 annual and FY 2003 monthly trends for (1) all renewals, including field office and alternate; and (2) growth in the highest alternate renewal categories (i.e., Renew-By-Mail, Internet and IVR, and Third Party). An error in the July 2003 counts was discovered and corrected in August 2003.



VARIANCE STATEMENT

JULY: All renewal transactions were up from June 2003 except Fleet.

AUGUST: All renewal transactions except Internet and IVR were down from July 2003, which is consistent with July-to-August 2003 data as well. August is a record month for ServiceArizona transactions (Internet and IVR). TRP transactions and registration renewals totaled over 138,000, accounting for the largest part of this increase. Record increases also occurred in 10 out of 16 ServiceArizona online transactions.

SEPTEMBER: This month's increase in over-the-counter, as well as the decreases in renew-by-mail, ServiceArizona, and fleets follow trends for August-September 2002. Third party increases include 21,808 U-Haul renewals.

OCTOBER: The overall number of alternate renewal transactions is down from September, and field office transactions increased. However, individual alternate renewal methods follow typical October cyclical patterns.

NOVEMBER: All renewal types decreased from October except fleets and third party. November is historically a slower month for many types of transactions. FY 2004 results closely resemble the trend from FY 2003.

DECEMBER: Consistent with trends, all renewal types increased from November. This is the second largest one-month total for all renewal types (the highest was 273,836 in June 2001). It is the highest one-month count for alternative renewals (the second highest was 196,214 in April 1999). Renew-By-Mail and Third Party also reached their highest one-month count for FYTD 04.

JANUARY: Only Internet-IVR and Drop Box counts increased from last month. Overall decreases in other renewal types are consistent with recent comparable yearly trends, except RBM. RBM experienced a decrease in commercial vehicle registrations in both December 2003 and January 2004. This reduction may be influenced by prior year's changes to year-round commercial vehicle expiration and conversion of commercial trailers to permanent registration.

FEBRUARY: Consistent with annual monthly trends, fleet increased while all other renewal types decreased from January. Lower counts are likely due to the shorter month.

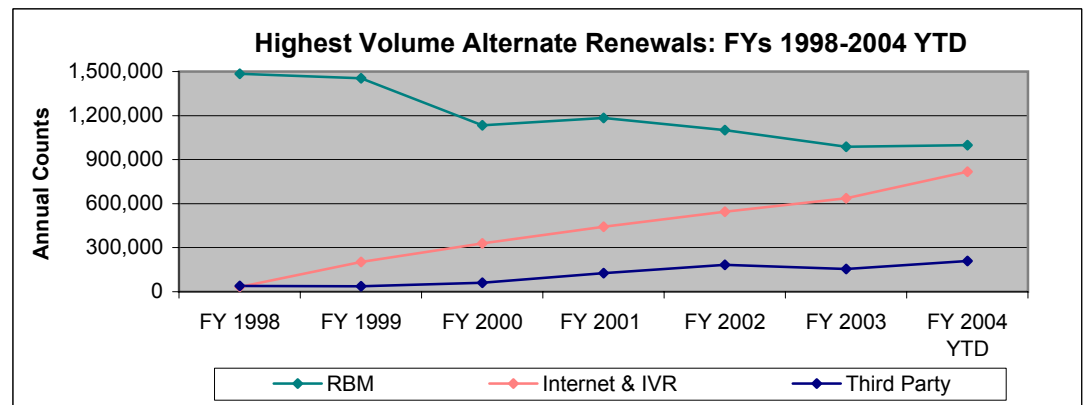
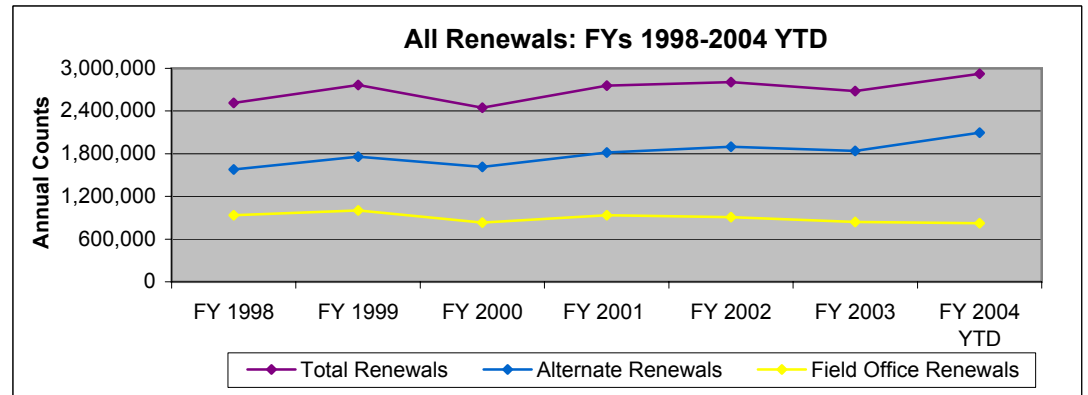
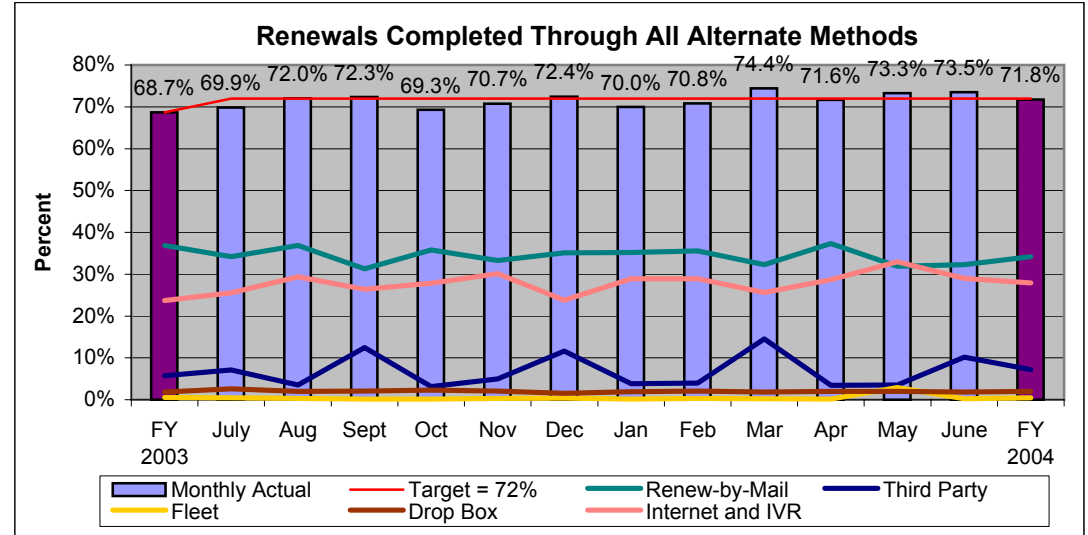
MARCH: Renewals completed by alternate methods surpassed 212,000 in March and is the highest monthly amount ever recorded. In FY 2002, the highest monthly total was 193,000; in FY 2003, the highest was 177,000. In field offices, March is one of the highest customer and transaction volume months overall. Third party had the biggest percentage increase from February (390%) due to U-Haul renewals, which accounted for nearly 33,000 of the total 41,000 third party renewals.

APRIL: Because March 2004 experienced such high counts, it is not unexpected that every renewal type decreased from last month. Most counts are not significantly less than year-to-date averages, though counts for RBM and IVR are actually higher than year-to-date averages.

MAY: Internet/IVR and Fleet renewal counts both increased from last month. The decline in Renew-by-Mail transactions was due in part to problems with the mail sealing machine. Overall, the April to May decline is not unusual when compared to previous years.

JUNE: June reflected expected end-of-fiscal year increases in renewals processed by all methods, except for Fleet, which broke with trends and spiked in May this year. Of all 5 alternate renewal types projected for FY 2004, only Fleet was unmet. Renewals processed in field offices was higher for the year than projected, however, which resulted in the FY 2004 alternate renewals projection being missed by 0.2%.

KEY MEASURE



2004 MONTHLY REPORT		PROGRAM	Motor Vehicle Division
		SUBPROGRAM/AREA	Customer Services / Competitive Government Partnerships
AGENCY GOAL	2	To increase the quality, timeliness and cost effectiveness of our products and services.	
MVD/PROGRAM GOAL	5	To increase the use of electronic service delivery.	
AGENCY and MVD/PROGRAM OBJECTIVE	1	For FY 2004, increase the number of Internet transactions and activities to 2.5 million (average 208,333 per month).	

Type	PERFORMANCE MEASURES	FY 2003	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	FY 2004	FY 2004 Estimated
OP	Total Internet transactions	1,761,529	256,379	261,730	251,263	253,324	232,668	239,535	279,390	267,480	300,474	280,119	294,379	306,971	3,223,712	2,500,000
OP	Government-to-consumer Internet transactions	1,376,768	145,951	147,280	145,233	146,373	130,518	141,144	172,018	159,494	178,239	165,688	177,027	190,474	1,899,439	1,382,000
OP	Government-to-business Internet transactions	384,761	110,428	114,450	106,030	106,951	102,150	98,391	107,372	107,986	122,235	114,431	117,352	116,497	1,324,273	1,118,000
OP	Average monthly number of Internet transactions	145,106	256,379	259,055	256,457	255,674	251,073	249,150	253,470	255,221	260,249	262,236	265,158	268,643	268,643	208,333
OC	Percent increase in total Internet transactions	102.5%	43.4%	1.0%	-1.0%	-0.3%	-1.8%	-0.8%	1.7%	0.7%	1.9%	0.8%	1.1%	1.3%	83.0%	41.9%
QL	Percent of customers responding to survey stating that their satisfaction with the Internet service is either Excellent or Good	99.1%	99.1%	99.1%	99.1%	99.1%	99.1%	99.1%	99.1%	99.1%	99.1%	99.2%	99.2%	99.1%	99.1%	99%
OP	Revenue collected	\$98,795,000	9,954,505	10,574,896	9,891,031	9,811,690	9,226,596	10,842,357	10,533,249	9,967,926	11,518,870	10,852,108	12,247,759	12,745,609	\$128,166,596	\$142,500,000

NOTES

On January 23, 2004 an error was identified and corrected, which increased the number of Registration Fee Calc and Temporary Registration Plate transactions for July - Dec measurements.

On April 1, 2004 a correction was made on Address Change and Fleet Vehicle totals which increased transactions for those applications by approximately 28,000 for the Fiscal Year. Deinsured certificate application totals for the fiscal year were also added as a consumer Internet transaction, which increased monthly totals by approximately 1,000 transactions.

VARIANCE STATEMENT

JULY: This was a record month for ServiceArizona transactions. New services implemented in July include Temporary Registration Permits and Motor Carrier Permits. TRP transactions totaled over 66,000 in July, accounting for most of the increase. In addition, record increases occurred in almost every other existing ServiceArizona online transaction.

AUGUST: Another record month for ServiceArizona transactions. TRP transactions and registration renewals totaled over 121,000 in August, accounting for the increase. Record increases occurred in 10 out of 16 ServiceArizona online transactions.

SEPTEMBER: Total Internet and government-to-business transactions were the lowest recorded this quarter, though increases occurred in several areas. TRPs and Reg Fee Calcs were noticeably down this month. Both transaction types are tied to vehicle sales by dealers. If vehicle sales are down, TRPs and Reg Fee Calcs will be down as well. In addition, overall decreases can be partly contributed to a one-day shorter month as compared with August.

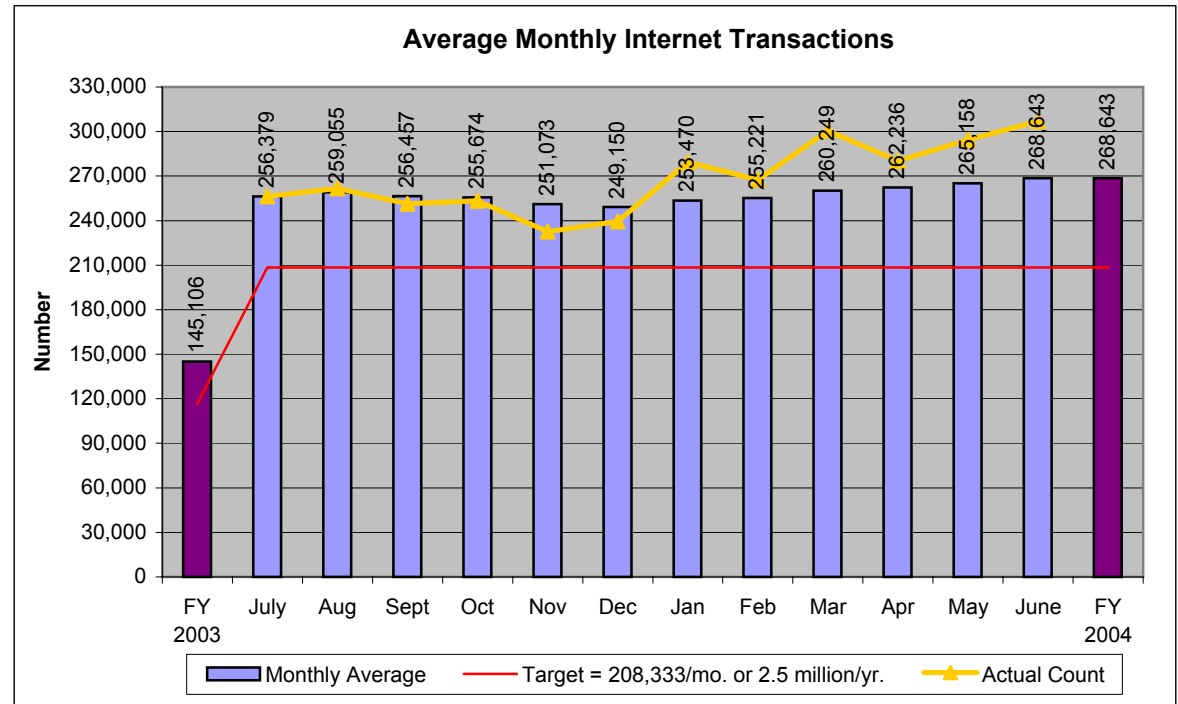
OCTOBER: Of the 17 transactions available through ServiceArizona, increases were noted in 10. However, many increases/decreases from September's counts were relatively minor. Those transactions accounting for the greatest increases include 3-day restricted use permits (+1,500), registration fee calculations (+850), registration renewals (+700), and vehicle sold notices (+500). Notable decreases include address changes (-1,300), duplicate DLs/IDs (-500), and TRPs (-200).

NOVEMBER: Total Internet transactions were the lowest on record this fiscal year-to-date, which appears to be fairly consistent with historical monthly counts. The November 1 implementation of the Dealer License Renewal pilot resulted in 1,000 transactions.

DECEMBER: Government-to-Consumer transactions (11 of 12 types) increased by 10,106, primarily due to registration renewals, 3-day restricted use permits, and voter registrations. However, Government-to-Business transactions decreased by 4,000. Most of the decrease is due to the issuance of fewer Temporary Registration Plates.

JANUARY: ServiceArizona had record high transaction increases this month in 10 of 18 applications, which increased overall transactions by nearly 37,000 over December. The most notable increase was in EZ Voter, which totaled nearly 18,000 transactions, almost doubling its monthly average. Other marked increases include address changes, 3-day restricted use permits, plate credit inquiries, registration fee calculations, and temporary registration plates. Many of these increases suggest that vehicle sales are beginning to rise again following holiday-related declines.

FEBRUARY: Average monthly Internet transactions are 42,000 above the FY 2004 estimate. Overall counts did decrease by 11,247 in February, demonstrated primarily within registration renewals, address changes, and voter registrations; however, the shorter



MARCH: Total Internet transactions reached an all time record of over 300,000 for the month of March. Consumer transactions increased by 18,000 over February with notable increases in Renewals (+2,357), Duplicate Driver Licenses (+2,376), and 3-Day Permits (+3,018), which may be due to the extra 2 days as compared with February. Another key factor may be ServiceArizona commercials broadcasted in the Maricopa County area during this quarter. Dealer License Renewals has moved to a quarterly cycle, which accounts for no renewals this month. The next cycle will begin on September 2004.

APRIL: Overall consumer and business transactions reached the 2nd highest transaction count for this fiscal year, though the total dropped by 20,000 over March. Count decreases were not significant in any one area. April transactions are still well above the estimated monthly average (+53,903). In April, total transactions exceeded the FY 2004 estimate of 2.5 million by 122,362. The Abandoned Vehicle Reporting pilot began on April 30 and resulted in an additional 23 business transactions for April. Phase II of the Motor Carrier Permitting online pilot project will be implemented May 1st.

MAY: Although not a record high month, the 294,379 transactions processed in May was above the FY average of 265,158. Internet renewals continue to increase with a record high this month of 60,305. Also achieving record highs were Reinstatements (866), Address Changes (24,224), Deinsured Certificates (1,672), Customer 30-day Permits (1,299), Dealer 30-day Permits (536), 90-day Permits (332), and Motor Carrier Permits (158). Abandoned Vehicle reporting accounted for 504 business transactions since implementation on April 30th.

JUNE: Total Internet transactions reached an all time record of nearly 307,000 in June. Notable increases were seen in Renewals (+2,541), Duplicate Driver Licenses (+2,478), Address Changes (+3,760), Voter Registrations (+2,084) and Reg Fee Calcs (+3,961). A decrease was also noted in TRPs (-5,013). Of the 21 transactions available on ServiceArizona, 11 had record highs for June. Total Internet transactions exceeded the FY 2004 objective by 723,712 transactions (or 60,310 per month).

2004 MONTHLY REPORT		PROGRAM	Motor Vehicle Division
		SUBPROGRAM/AREA	Customer Services / Competitive Government Partnerships
AGENCY GOAL	2	To increase the quality, timeliness and cost effectiveness of our products and services.	
MVD/PROGRAM GOAL	5	To increase the use of electronic service delivery.	
AGENCY and MVD/PROGRAM OBJECTIVE	2	For FY 2004, increase transactions and activities completed via the Internet to 21% of all possible Internet-eligible transactions and activities.	

Type	PERFORMANCE MEASURES	FY 2003	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	FY 2004	FY 2004 Estimated
OP	Number of Internet-eligible transactions completed via all possible methods comparable to the Internet	3,704,302	360,451	349,875	311,983	332,568	287,772	374,091	347,032	315,484	406,606	354,147	342,647	392,279	4,174,935	3,704,302
OP	Number of Internet-eligible transactions completed via the Internet	759,765	82,967	85,205	82,069	83,761	76,670	84,047	95,888	90,353	103,914	98,783	106,301	112,245	1,102,203	777,903
OC	Percentage of Internet-eligible transactions completed via the Internet	20.5%	23.0%	24.4%	26.3%	25.2%	26.6%	22.5%	27.6%	28.6%	25.6%	27.9%	31.0%	28.6%	26.4%	21%
OP	Revenue collected (in thousands)	\$98,795	\$9,954,505	\$10,574,896	\$9,891,031	\$9,811,690	\$9,226,596	\$10,842,357	\$10,533,249	\$9,967,926	\$11,518,870	\$10,852,108	\$12,247,759	\$12,745,609	\$128,166,596	\$10,136

NOTES

Measurement includes Registration Renewals, Duplicate Driver Licenses and ID Cards, Special Plates and Personalized Plates, 3-Day Restricted Use Permits, and Duplicate Registrations (added in March 2003).

VARIANCE STATEMENT

SEPTEMBER: Internet-eligible transactions continued in an upward trend and are well ahead of pace in meeting the FY 2004 objective. The 3-day Restricted Use Permits accounted for the largest part of Internet-eligible transaction increases this month (436). However, overall transactions completed via all possible methods decreased significantly enough (nearly 38,000) to cause the Internet-eligible percentage to rise.

NOVEMBER: Government-to-Customer Internet transactions were the lowest on record this fiscal year-to-date. Special Plate applications reflected the only increase this month (+68). The target was reached because the overall number of Internet-eligible transactions completed via all possible methods decreased significantly enough to cause the Internet-eligible percentage to rise.

DECEMBER: Government-to-Business Internet transactions were down this month (-25,765). This decrease in business transactions is noticable with TRP (-27,090), and Dealer License Renewals (-687) applications. In addition, transactions completed via all methods were up, which contributed to a lower Internet-eligible percentage share.

JANUARY: ServiceArizona experienced record highs in 3-day permits and registration renewals with a total 11,000 transaction increase over December.

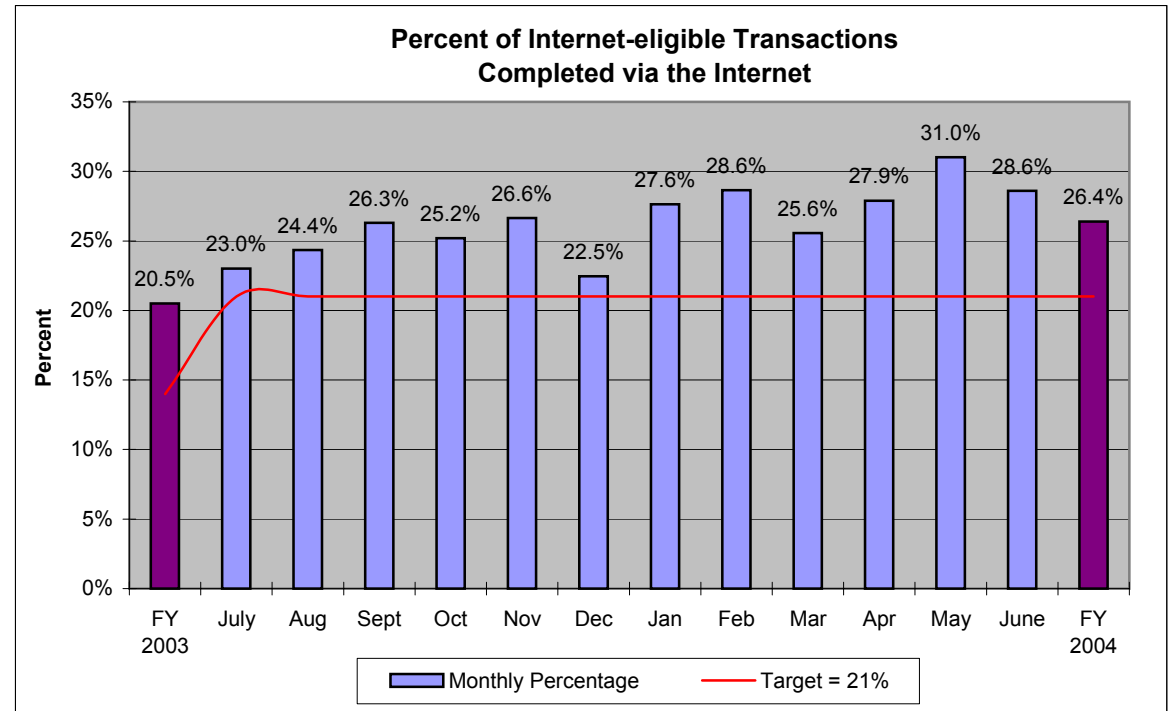
FEBRUARY: Even though Internet-eligible transactions accounted for 28.6% (which appears to be an increase over the January percentage of 27.6%), what actually occurred was a decrease in the total number of Internet-eligible transactions (95,888 vs. 90,353) as well as a decrease in all completed transactions (347,032 vs. 315,484).

MARCH: Though Internet-eligible transactions accounted for 25.6% (which appears to be a decrease from the February percentage of 28.6%), what actually occurred was a 13,500 increase in the total number of Internet-eligible transactions as well as an 91,000 increase in all completed transactions. Internet transactions continue to well exceed the FY 2004 target.

APRIL: Internet-eligible transactions reached the 2nd highest overall total for the month of April and continues to exceed the target this fiscal year. Even though Internet-eligible transactions decreased by 5,131, all possible method transactions decreased by 52,459.

MAY: Though Internet-eligible transactions accounted for 31% (which appears to be a marked increase from the April percentage of 28%), what actually occurred was a 7,518 increase in the total number of Internet-eligible transactions as well as an 11,500 decrease in all completed transactions.

JUNE: Though Internet-eligible transactions accounted for 28.6% (which appears to be a decrease from the May percentage of 31%), what actually occurred was a 5,944 increase in the total number of Internet-eligible transactions as well as a 49,632 increase in all completed transactions.



2004 MONTHLY REPORT

PROGRAM

Motor Vehicle Division

SUBPROGRAM/AREA

Customer Services / Competitive Government Partnerships

AGENCY GOAL	2	To increase the quality, timeliness and cost effectiveness of our products and services.
MVD/PROGRAM GOAL	5	To increase the use of electronic service delivery.
MVD/PROGRAM OBJECTIVE	3	For FY 2004, maintain the number of all electronic service delivery transactions and activities at 13.5 million (average 1.125 million per month).

Type	PERFORMANCE MEASURES	FY 2003	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	FY 2004	FY 2004 Estimate
OP	Number of electronic delivery transactions comparable to MVD business (in thousands)	5,056	551	529	532	544	451	473	534	522	606	532	547	582	6,403	6,248
OP	Number of bulk MVR transactions transmitted electronically not comparable to MVD business (in thousands)	7,352	628	663	606	632	641	505	619	604	569	699	646	604	7,416	7,352
OP	Total electronic service delivery transactions (in thousands)	12,408	1,179	1,192	1,138	1,176	1,092	978	1,153	1,126	1,175	1,231	1,193	1,186	13,819	13,500
OP	Average monthly number of electronic service delivery transactions (in thousands)	1,034	1,179	1,186	1,170	1,171	1,155	1,126	1,130	1,129	1,134	1,144	1,148	1,152	1,152	1,125
OC	Percent increase in total electronic service delivery transactions	-34.4%	3.5%	1.1%	-4.5%	3.3%	-7.1%	-10.4%	17.9%	-2.3%	4.4%	4.8%	-3.1%	-0.6%	11.4%	8.8%
OP	Revenue collected	\$134,951,242	10,080,013	14,667,827	14,069,871	14,081,542	9,814,194	11,505,321	11,265,630	10,695,183	12,321,294	11,563,070	10,053,301	13,515,506	\$143,632,752	\$146,880,000

VARIANCE STATEMENT

DECEMBER: Bulk MVR transactions decreased by 136,000 transactions. This decrease in batch record returns is due to the number of record changes taking place on the MVD database. (Bulk record customers only receive MVRs on records that have changed from the previous month's search of the database such as change in ownership, registration renewals processed, change of address, status codes added to system, etc.)

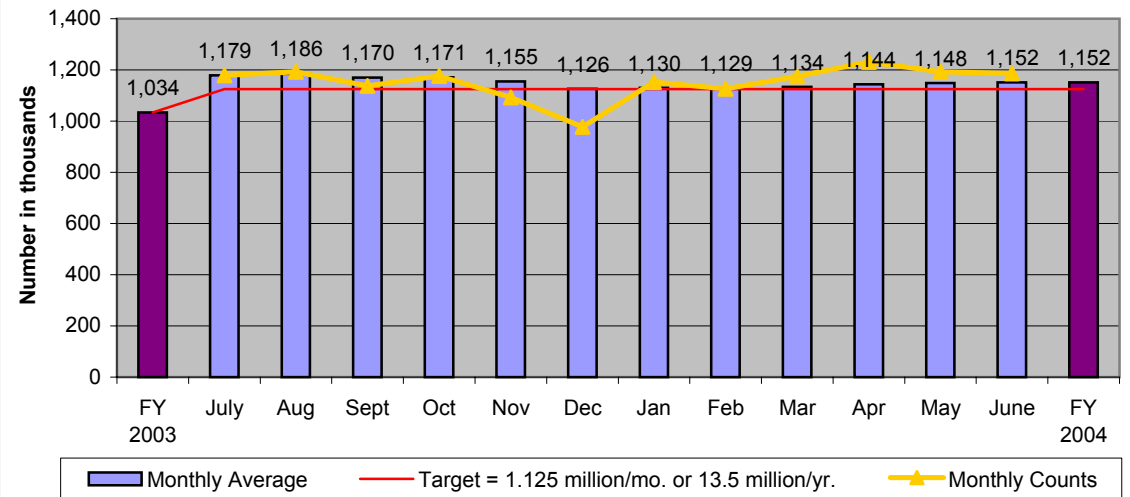
MARCH: This is a record breaking month for many SAZ applications. Citizens and commercial customers are becoming more accustomed to utilizing electronic services.

APRIL: Bulk MVR transactions increased by 130,000 transactions. This increase in batch record returns is due to the number of record changes taking place on the MVD database. (Bulk record customers only receive MVRs on records that have changed from the previous month's search of the database, such as changes in ownership, registration renewals processed, change of address, status codes added to system, etc.)

MAY: No significant variance from the previous month.

JUNE: ServiceArizona transactions continue to increase as more customers utilize electronic services. The number of bulk MVR transactions decreased by 42,000, which are provided for records that have changed on the database since the previous month. Thus, fewer changes to the MVD database in June in comparison with May resulted in fewer bulk transactions.

Average Monthly Electronic Service Delivery Transactions



NOTES

Electronic transactions and activities include those completed via the Internet and IVR as well as motor vehicle records (MVRs) delivered electronically to customers authorized to have electronic access. MVRs constitute the largest part of the total count.

2004 MONTHLY REPORT		PROGRAM	Motor Vehicle Division
		SUBPROGRAM/AREA	Customer Services / Division Operational Support Services
AGENCY GOAL	2	To increase the quality, timeliness and cost effectiveness of our products and services.	
MVD/PROGRAM GOAL	1	To promote public safety and protection through regulation, licensing, and the administration of transportation laws.	
SUBPROGRAM OBJECTIVE	1	For FY 2004, ensure that 71% of all DUI investigations are processed within 10 days.	

Type	PERFORMANCE MEASURES	FY 2003	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	FY 2004	FY 2004 Estimate
IP	Number of new DUI investigations	6,768	594	587	552	550	495	550	575	586	734	655	592	608	7,078	6,768
IP	Number of existing DUI investigations	168	145	162	262	159	129	145	22	98	102	133	152	160	145	168
IP	Total number of DUI investigations in progress	6,936	739	749	814	709	624	695	597	684	836	788	744	768	7,223	6,936
OP	Number of DUI investigations closed	6,791	577	487	655	580	479	673	499	582	703	636	584	727	7,182	6,791
IP	Number of DUI investigations processed within 10 days	4,850	230	276	330	499	462	632	493	533	688	424	518	643	5,728	4,850
EF	Percent of DUI investigations processed within 10 days	71%	40%	57%	50%	86%	96%	94%	99%	92%	98%	67%	89%	88%	80%	71%
OP	Total number of investigator work hours (actual)	11,604	1,098	1,051	1,051	1,082	863	1,070	925	985	1,122	1,096	1,036	1,107	12,486	Baseline

VARIANCE STATEMENT

JULY: The Unit has focused on, and dedicated more hours to, the reject report project, which includes a recent discovery of reject reports pending far back to February 2003. Thus, only 40% of investigations were processed within 10 days in July, in comparison with 64% in June, due to the reject report backlog.

OCTOBER: The Unit is current with reject reports, and with the decrease of court testimony this month, investigators processed more investigations within 10 days.

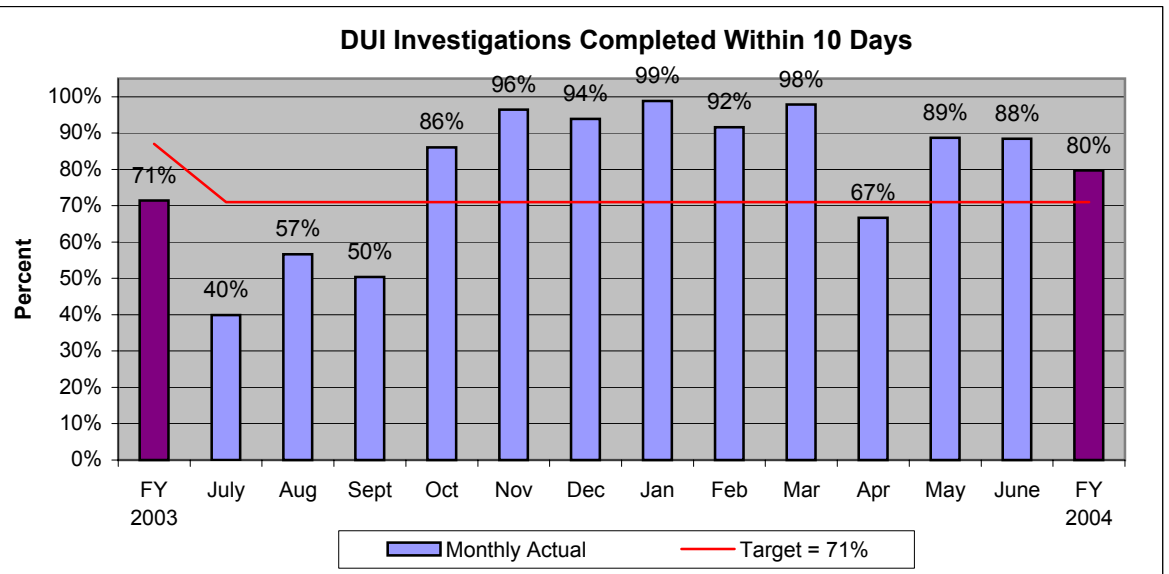
NOVEMBER: The Unit continues to stay current with reject reports and has done very well processing investigations within the 10-day turnaround.

JANUARY: The Unit continues to stay current with reject reports and did an outstanding job in processing of investigation packets this month.

MARCH: The Unit has had an increase in court testimony and reject reports for the month of March but still improved performance due to zero employee sick leave and minimal annual leave.

APRIL: Prior to March, new DUI cases averaged 561 per month. New cases in both March and April increased substantially (734 and 655, respectively). This, in addition to a high number of staff hours spent in court activity, has left less time to complete investigations, resulting in a higher turnaround.

MAY: The Unit had fewer new investigation cases and also spent 60 fewer hours on investigation packets in comparison with April. However, because minimal time was spent in court activity and zero annual and sick leave was taken, overall performance improved significantly.



JUNE: The Unit had a slow month in court testimony, enabling investigators to complete more investigation cases within a 10-day turnaround. They are also current with reject reports.

2004 MONTHLY REPORT		PROGRAM	Motor Vehicle Division
		SUBPROGRAM/AREA	Customer Services / Division Operational Support Services
AGENCY GOAL	2	To increase the quality, timeliness and cost effectiveness of our products and services.	
MVD/PROGRAM GOAL	1	To promote public safety and protection through regulation, licensing, and the administration of transportation laws.	
SUBPROGRAM OBJECTIVE	2	For FY 2004, maintain an average processing time of 75 days for all high-volume records.	

Type	PERFORMANCE MEASURES	FY 2003	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	FY 2004	FY 2004 Estimate
IP	Number of citations received	439,333	34,283	56,694	23,559	32,345	26,022	29,804	25,150	29,071	33,951	30,978	27,014	42,566	391,437	415,000
OP	Number of citations processed	438,757	31,597	39,086	27,425	30,170	25,627	31,056	25,405	27,988	45,205	42,516	45,489	40,540	412,104	369,500
EF	Average number of days to process citations	41	50	48	45	47	51	52	54	56	59	46	30	17	45	50
IP	Number of civil batch cons received	207,964	13,972	23,970	19,720	23,802	16,387	21,383	24,777	22,110	30,269	25,001	17,825	28,786	268,002	235,000
OP	Number of civil batch cons processed	143,370	13,734	10,360	11,403	20,014	15,245	26,058	33,306	30,108	30,194	25,181	32,168	22,730	270,501	169,900
EF	Average number of days to process civil batch cons	118	92	102	109	109	111	118	118	101	92	89	81	79	99	102
IP	Number of SR-22s received	160,910	14,986	11,846	13,610	15,190	12,930	12,788	13,002	13,896	15,568	10,128	11,773	12,482	158,199	164,500
OP	Number of SR-22s processed	129,896	22,442	19,194	18,099	20,172	15,389	12,207	14,364	8,346	14,017	16,006	20,098	12,323	192,657	228,400
EF	Average number of days to process SR-22s	105	170	176	175	49	39	30	25	26	33	37	24	11	76	73
IP	Number of SR-26s received	126,398	12,181	10,536	10,936	12,778	9,872	13,666	11,094	10,162	10,710	8,243	9,908	11,353	131,439	135,400
OP	Number of SR-26s processed	98,345	20,291	11,266	11,892	18,090	14,102	12,207	14,936	9,660	9,296	15,101	12,409	12,474	161,724	181,400
EF	Average number of days to process SR-26s	129	193	198	200	79	61	57	53	50	56	56	41	34	93	93
IP	Total number of high-volume records	934,605	75,422	103,046	67,825	84,115	65,211	77,641	74,023	75,239	90,498	74,350	66,520	95,187	949,077	976,000
OP	Total number of high-volume records processed	810,368	88,064	79,906	68,819	88,446	70,363	81,528	88,011	76,102	98,712	98,804	110,164	88,067	1,036,986	985,000
EF	Average number of days to process all high-volume records	79.3	120.1	106.9	116.6	68.0	63.4	70.5	73.3	69.8	65.1	57.0	45.0	34.6	72.5	75.0

NOTES:

In December 2003, the Records Unit reevaluated what performance measures were being tracked and changed the focus to measure only high-volume record update tasks.

VARIANCE STATEMENT

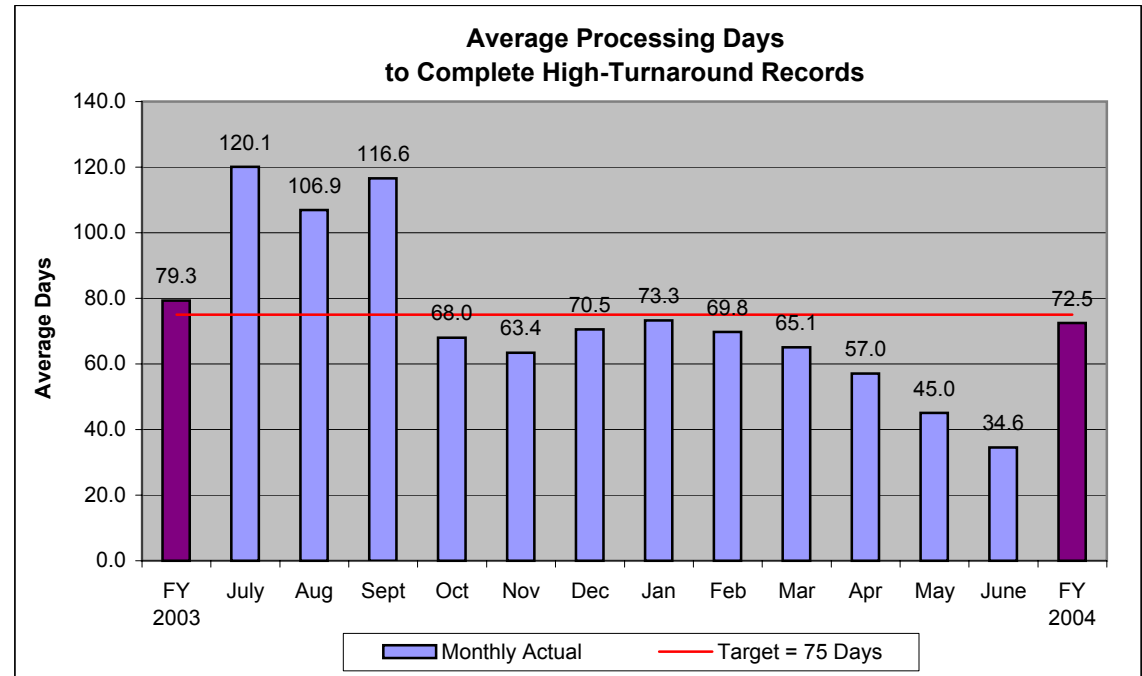
JULY: The Unit is not able to regularly process combined record updates (currently at a 126-day turnaround) due to a continuously increasing backlog of batch con reports (court reject reports), which are considered a higher priority to update. In addition, two employees responsible for updating Mandatory Insurance records left the Unit this month. Data Processing will be addressing scheduling regular pick ups of citations from Perryville, which should offer notable decreases in future months for records update turnaround.

AUGUST: Enhancements were made to the criteria of Mandatory Insurance programming--extending the running cycle from 20 days to 30 days. This has resulted in reducing the volume of "Intent to Suspend" notices by 20,000 a month, allowing the Mandatory Insurance Unit to devote more time to other record update tasks, thereby decreasing turnaround time. To further reduce future turnaround, interviews are being conducted to fill the vacancy in the Data Processing Unit, and discussions with Perryville have occurred to schedule regular pickups of citations to be entered as well as to drop off diskettes for upload, which will be implemented in September.

SEPTEMBER: Due to technical difficulties in front-end edits, MVD is not experiencing the full benefits of utilizing Perryville to enter as many citations as originally envisioned, causing more to be processed by MVD staff (over 5,500 citations retained in September). Another data entry test of documents at Perryville will be done in October to determine system compatibility. In addition, two staff were pulled from regular duties to complete reject reports, which were previously done by the MVD Tiger Team, causing nearly 11,700 fewer citations to be processed. As fewer reports are processed, turnaround time increases.

OCTOBER: Decreased turnaround was impacted by a few key process changes. More courts are now online, resulting in fewer citations having to be manually entered by the Data Processing Unit. Title and Registration computer enhancements were completed, allowing insurance policies that are electronically transmitted to match approximately 3,000 more vehicles records each week. Staff in both Data Processing and Mandatory Insurance have been able to work on other record update tasks. Test copies of citations and abstracts have been submitted to Perryville, although testing has been put on hold while they are going through a internal transition in staffing.

DECEMBER: The Financial Responsibility and Mandatory Insurance Units made efforts to further cross-train so that both areas could enter SR22s and SR26s. The Criminal Fraudulent Unit has divided the staff and are processing both the oldest and the newest combined records. The Data Processing Unit increased batch con entries by 10,813 this month with the assistance from Driver Improvement and Technical Support. The objective was met for the month, though continued efforts to schedule regular Perryville pickups of citations and expand on entry capabilities is still being pursued.



JANUARY: Between July and December, civil batch con entries completions averaged 16,100 per month. In January, completions substantially increased to 33,300. Authorized comp time, combined with the assistance of several units, made these increases possible. Turnaround remained steady at 118 days for batch con entries, but it is hoped that in future months, turnaround decreases will be realized due to January's backlog reduction.

FEBRUARY: Batch con process was focused on as a priority task, resulting in a 17-day turnaround decrease in batch cons; the priority shift also resulted in a 2-day turnaround increase for citations. Turnaround continues to decrease for SR26s. Two new FTEs were hired and trained in the Insurance Unit this month, which should have a noticeable effect in decreasing the SR22 turnaround in future months.

MARCH: The civil batch con process continued to be the priority focus in March, resulting in a 9-day turnaround decrease, due to authorized comp time and the combined assistance of several units. This decrease made the largest impact on overall turnaround. In future months the shift will change to decrease citations turnaround, which increased by 3 days in March. One new FTE was hired and trained in the Insurance Unit; it is hoped that full staffing in this Unit will decrease turnaround times for the SR22s and SR26s enough to meet the overall target.

APRIL: The priority focus was shifted to citations, resulting in a 13-day turnaround decrease, due to continued authorized comp time. The civil batch con process also decreased by 3 days. Mandatory Insurance assisted Financial Responsibility staff for 5 days, which resulted in maintaining SR26 turnaround, though SR22 turnaround increased 4 days. The Insurance Unit hired and trained another new FTE the last week of April.

MAY: Continued comp time has resulted in turnaround decreases of 16 days for citations and 8 days for civil batch cons. Mandatory Insurance and Financial Responsibility Units have focused on SR22 and SR26 entries, resulting in 13-day and 15-day decreases, respectively.

JUNE: Comp time continued for Data Processing in June, resulting in a turnaround decrease of 13 days for citations and 2 days for civil batch cons. The Financial Responsibility Unit also achieved a notable 13-day turnaround decrease for SR22s and 7-day decrease for SR26s.

2004 MONTHLY REPORT		PROGRAM	Motor Vehicle Division
		SUBPROGRAM/AREA	Customer Services / Division Operational Support Services
AGENCY GOAL	2	To increase the quality, timeliness and cost effectiveness of our products and services.	
MVD/PROGRAM GOAL	1	To promote public safety and protection through regulation, licensing, and the administration of transportation laws.	
SUBPROGRAM OBJECTIVE	3	For FY 2004, ensure that 93% of all policies are completed within 60 days.	

Type	PERFORMANCE MEASURES	FY 2003	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	FY 2004	FY 2004 Estimate
IP	Number of new policies requested	81	5	2	2	2	2	1	4	2	3	4	4	6	37	81
IP	Number of existing active policies	1	21	20	20	11	11	9	7	9	8	10	13	14	21	21
IP	Total number of active policies in progress	82	26	22	22	13	13	10	11	11	11	14	17	20	58	102
OP	Number of policies completed (includes cancelled policies)	61	6	2	11	2	4	3	2	3	1	1	3	3	41	76
OP	Percent of policies completed	74.4%	23.1%	9.1%	50.0%	15.4%	30.8%	30.0%	18.2%	27.3%	9.1%	7.1%	17.6%	15.0%	70.7%	74.4%
OP	Number of completed policy related activities (policy office memos and procedures)	91	9	5	4	3	5	5	6	1	3	7	9	2	59	91
QL	Number of policies cancelled by requestor	3	0	0	1	0	2	0	0	0	0	0	0	0	3	3
QL	Total number of policies rescinded (excluding rescissions due to upgrades in process/procedures or changes in legislation)	4	0	0	0	0	0	0	0	1	0	0	0	2	3	4
EF	Number of policies completed within 60 days of initial request (of total completed policies)	57	2	1	10	2	4	3	2	3	1	1	3	3	35	57
EF	Percent of policies completed within 60 days of initial request (of total completed policies)	93.4%	33%	50%	91%	100%	100%	100%	100%	100%	100%	100%	100%	100%	85%	75%

VARIANCE STATEMENT

JULY: Program delays were responsible for implementation delays of three policies and one policy memo required review by the Arizona Attorney General's Office.

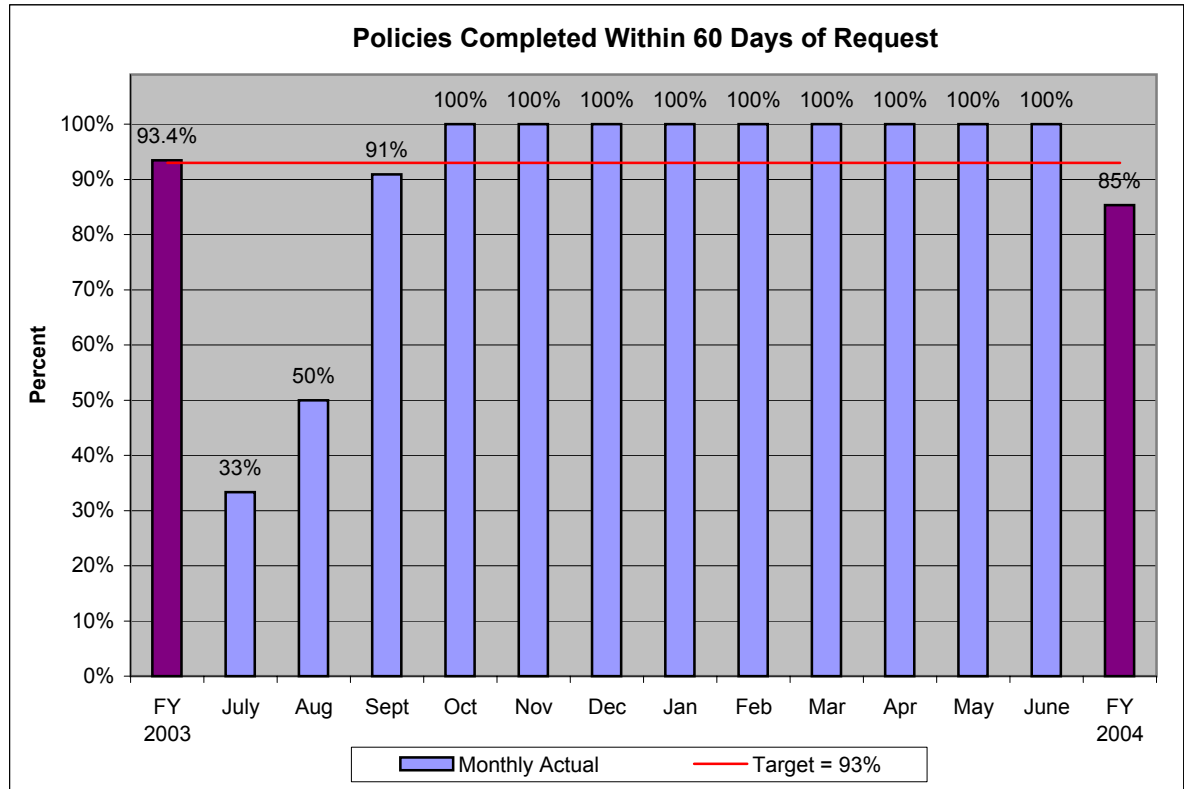
AUGUST: One policy required extensive outside review by the Arizona Attorney General's Office.

SEPTEMBER: Two policies were not completed within 60 days. One required external review and approval of the ADOT Safety Unit; another required additional consensus between programs and was resubmitted to the implementation team for rework. One other policy was canceled at the MVD Executive Team's request.

OCTOBER: No delays occurred in the completion of policies, either during review and approval processes, or in reproduction.

NOVEMBER: Due to a change in team direction, two of the four policies noted as completed were cancelled by the requestor. Both cancellations were within the 60-day timeframe.

DECEMBER thru JUNE: No delays occurred in the completion of policies, either during review and approval processes, or in reproduction.



NOTES

2004 MONTHLY REPORT		PROGRAM	Motor Vehicle Division
		SUBPROGRAM/AREA	Customer Services / Division Operational Support Services
AGENCY GOAL	2	To increase the quality, timeliness and cost effectiveness of our products and services.	
MVD/PROGRAM GOAL	2	To improve customer service.	
SUBPROGRAM OBJECTIVE	3	For FY 2004, establish a baseline for average Level II telephone wait time.	

Type	PERFORMANCE MEASURES	FY 2003	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	FY 2004	FY 2004 Estimate
IP	Number of Level I telephone calls received	N/A	130,977	126,910	134,114	157,688	105,346	108,576	126,088	108,958	171,049	123,144	116,048	125,958	1,534,856	Baseline
IP	Number of Level II telephone calls received	N/A	50,117	40,370	41,622	45,382	35,558	40,045	49,262	38,077	45,154	42,020	37,729	41,131	506,467	Baseline
IP	Total number of telephone calls received	1,570,400	181,094	167,280	175,736	203,070	140,904	148,621	175,350	147,035	216,203	165,164	153,777	167,089	2,041,323	Baseline
EF	Average Level I telephone wait time (minutes)	N/A	0.5	0.5	0.6	0.6	1.4	1.1	1.0	1.1	0.5	0.4	0.3	0.5	0.7	Baseline
EF	Average Level II telephone wait time (minutes)	N/A	22.1	22.3	22.3	20.5	18.4	18.4	19.4	27.1	23.5	22.9	22.4	20.7	21.7	Baseline
OC	Percent of customers waiting 1.5 minutes or less	N/A	57.0%	60.0%	52.0%	48.0%	52.0%	69.0%	77.5%	53.7%	40.8%	55.3%	63.8%	59.9%	62.4%	Baseline
QL	Percent of surveyed customers satisfied with wait time	52%	53.0%	51.0%	60.0%	55.0%	47.0%	54.0%	N/A*	N/A*	N/A*	*N/A	*N/A	"N/A	53.3%	52%
QL	Percent of surveyed customers indicating that information derived or transaction completed via phone saved an office visit	55%	57.0%	52.0%	47.0%	53.0%	51.0%	59.0%	N/A*	N/A*	N/A*	*N/A	*N/A	"N/A	53.1%	55%

VARIANCE STATEMENT

JULY: This is the first reporting of wait times, distinguishing between Level I and Level II agents. The Unit has known that Level II wait times have exceeded 15 minutes and was in fact above 20 minutes at one time. Level II wait times are expected to increase until all vacancies are filled.

AUGUST: Level II wait times increased, due to loss of three agents from the Unit, and will continue to rise until such vacancies can be filled. Dropping of Level II customers in the queue has been occurring. Heat ticket is still being worked on.

SEPTEMBER: No significant variance from August's performance.

OCTOBER: The majority of Level II calls were related to questions about delayed RBM registration renewals. These inquiries typically take less time than other types of inquiries, subsequently causing wait time to drop. Wait times would have been even lower, but the Level II call center experienced staff shortages due to employee turnover, excessive sick leave, and one new agent in training.

NOVEMBER: Total number of calls received decreased due to two scheduled holidays this month. On November 3rd, the Level II Call Center implemented a third lunch period, leaving more agents on phones during our high peak times, which decreased Level II average wait times. Level I average wait times increased due to staff shortages the day before and after the holidays.

DECEMBER: Calls increased for both Level I and Level II call centers, due to late processing of end-of-month renewal registrations. No other significant changes to report.

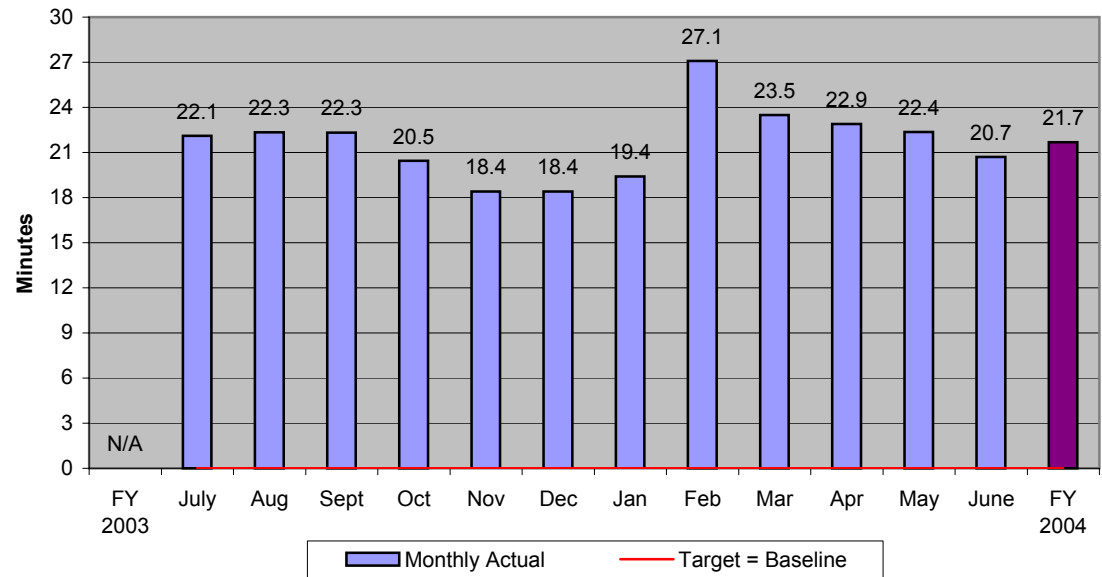
JANUARY: Incoming calls increased by nearly 26,800. Most calls referenced registrations that had not been received, due to a Renew-by-Mail holiday backlog, and inquiries about Driving Under the Influence driver license suspensions. Many of these calls required Level II assistance, which is the primary reason for the increase in overall wait time.

FEBRUARY: Incoming calls decreased due to a shorter reporting period (2 days) and fewer Renew-by-Mail calls. Leave time increased substantially this month for all call centers due to employee and family illnesses. In addition, two employees are currently enrolled on an on-line DL/T&R training course for field certification for two hours each day, and four employees attended 4-hour training, for a total of 92 hours in February. As a result, wait times increased.

MARCH: Level II wait time decreased due to a procedural change: analysts who are not available to receive calls are now placing their phones on "make set busy" versus "not ready" to reduce artificial increases in wait time. Placing phones on "not ready" causes calls in the queue to continue the recording of wait time. The "make set busy" position ensures wait time is not recorded. The increased number of calls received was due to Saturday hours of operation for both Level I and II call centers.

APRIL: Wait time decreased by 0.6 minutes, largely due to a decrease in the number of calls received, and the hiring of another Exam Tech II who is familiar with the phones and fully trained.

Average Level II Customer Telephone Wait Time



MAY: Wait times decreased by 0.5 minutes this reporting period, largely due to hiring 4 new Exam Tech IIs, two of which are already independently working on the phones. In addition, fewer calls were received this month due to the telephone system dropping calls May 7-12, 2004.

JUNE: Two new agents are on the phone full-time and two are still in training. Leads handled more calls this month than usual to help decrease wait times.

NOTES

*Decision Pro PC crashed in January; no survey totals were available for January, February, and March.

*Decision Pro will be replaced by a new software application in July 2004.

2004 MONTHLY REPORT		PROGRAM	Motor Vehicle Division
		SUBPROGRAM/AREA	Customer Services / Division Operational Support Services
AGENCY GOAL	2	To increase the quality, timeliness and cost effectiveness of our products and services.	
MVD/PROGRAM GOAL	2	To improve customer service.	
SUBPROGRAM OBJECTIVE	4	For FY 2004, answer 75% of Tech Support service calls within 2 minutes or less.	

Type	PERFORMANCE MEASURES	FY 2003	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	FY 2004	FY 2004 Estimate
IP	Number of telephone calls received by the tech support unit	64,176	5,373	4,489	4,580	4,456	3,575	4,146	4,348	4,235	5,437	4,860	4,257	4,749	54,505	64,176
EF	Average telephone wait time (minutes)	2.1	2.0	2.2	2.0	2.2	1.4	1.3	1.2	1.2	0.5	0.5	1.1	1.4	1.4	2.1
EF	Percent of telephone calls with wait times of 2 minutes or less	75%	70%	72%	73%	69%	79%	80%	82%	83%	89%	90%	85%	81%	80%	75%
EF	Average duration of call	N/A	3.4	3.2	3.3	3.2	3.1	3.2	3.5	3.3	3.3	3.4	3.4	3.3	3.3	Baseline
QL	Number of abandoned calls	11,093	938	744	635	804	388	478	487	348	359	351	366	568	6,466	11,093
QL	Average abandonment time (minutes)	2.9	2.2	2.5	3.3	3.1	3.2	2.4	2.5	2.3	1.6	2.0	2.6	3.3	2.6	2.9

VARIANCE STATEMENT

OCTOBER: Staffing shortages caused the Tech Support CDL Help Desk reports to become backlogged. Tech Support is working to eliminate the backlog and help decrease overall telephone wait times.

NOVEMBER: Tech Support was able to meet its objective due to fewer calls. PDPS and the CDL Help Desks are current with their reports.

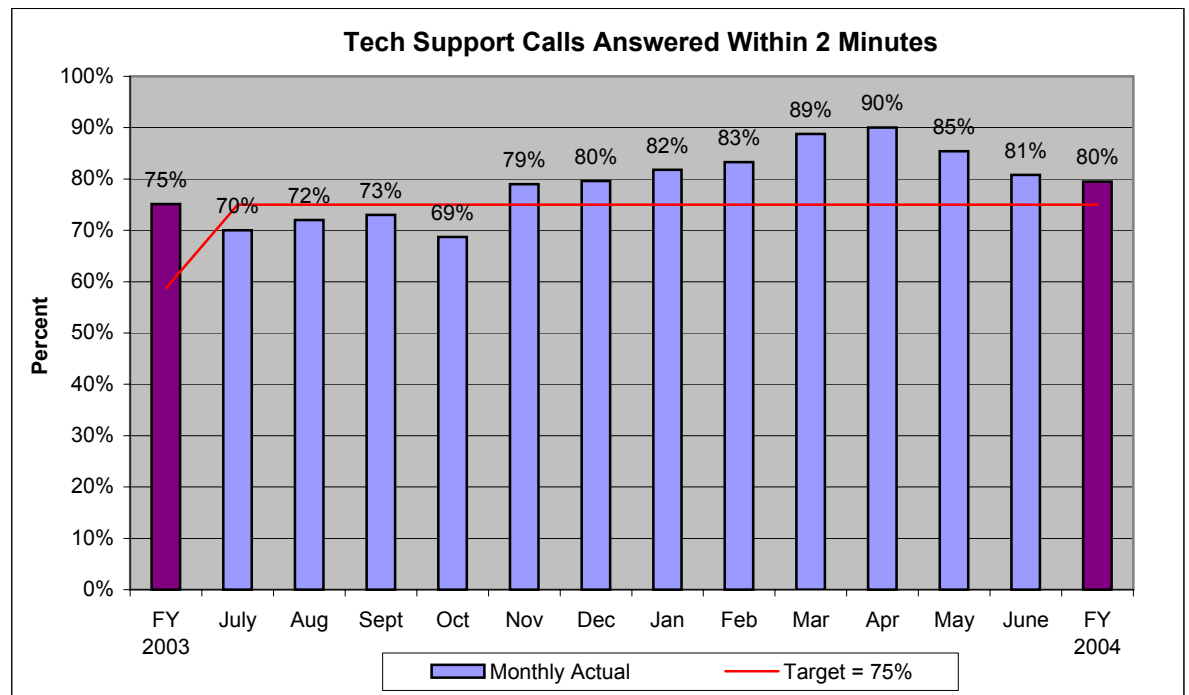
JANUARY: Performance improved due to the Unit being fully staffed. Fewer annual and sick leave hours were taken in January than in December as well.

MARCH: The Unit continues to improve on wait time. The CDL Help Desk is still short one clerk but is able to keep up with help from the clerks working the PDPS Help Desk.

APRIL: The Unit experienced higher absenteeism this month, but with fewer calls received, this year's target and last month's performance were both exceeded. The CDL Help Desk is still short one clerk; however, with the help of clerks working the PDPS Help Desk, reports remain current.

MAY: Overall wait time increased and fewer calls were answered within 2 minutes due to a shortage of four employees for most of the month of May. The CDL help desk was short one staff, one staff was testing programming, one was on vacation, and one transferred to another Unit. However, with help from the CDL and PDPS help desks, the Unit was able to maintain performance above the yearly target.

JUNE: Tech Support had nearly 500 more calls in June than May. Due to fewer staff, the percentage of calls answered within 2 minutes or less decreased but still remained relatively high. The CDL help desk was short one clerk, Tech Support was down two clerks, and one staff was in testing for 7 working days. Several clerks were also on annual leave.



NOTES:

Performance levels previously reported for July (76%) and August (75%) were changed to 70% and 72%, respectively, following the revision of calculation methodology.